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COMMONWEALTH OF MASSACHUSETTS



PUBLIC EMPLOYMENT SERVICE



SERVICE FOR EVERYONE
LOCAL • STATE • NATIONAL

1968 annual REPORT

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AUG 4 - 1969

University of Massachusetts

DIVISION OF EMPLOYMENT SECURITY



Herman V. LaMark, Director

The Commonwealth of Massachusetts

Division of Employment Security

Affiliated with the United States Employment Service
881 Commonwealth Avenue, Boston, Mass.. 02215

Office of the Director

Honorable Francis W. Sargent
Governor of Massachusetts
State House
Boston, Massachusetts

Dear Governor Sargent:

In accordance with Section 93 of the General Laws of the Commonwealth, I hereby submit a report on the activities and accomplishments of the Division of Employment Security for the fiscal year 1968.

The primary emphasis in Division activities during the year was to assist the disadvantaged and the hard-core unemployed to find jobs since many of these applicants did not possess the job skills in demand in the labor market. This usually involved either employment counseling by the Division or referral to other agencies for vocational training, job orientation, basic education or a combination of these services.

The agency's principal efforts were concentrated on five major applicant groups: the long-term unemployment insurance claimant, minority group members, welfare recipients, the handicapped, and youth.

In carrying out its programs for these so-called hard-to-place groups, the agency worked closely with the National Alliance of Business, employer groups, labor unions, and social service organizations.

Although major efforts were directed toward the hard-core unemployed, all other services and programs of the Division continued to be maintained. These included the payment of unemployment benefits, recruiting workers for industry, collecting and disseminating labor market and occupational information, job placement, services to veterans and older workers, employment counseling, aptitude testing and referral to skill training.

As part of its employment and manpower training services, the Division presently administers or participates in more than 60 programs and services. These are carried out as requirements of either Federal or State law or as part of the agency's obligations under its grant-in-aid from the Federal Government.

Sincerely,

Herman V. LaMark
Herman V. LaMark, Director

PUBLIC EMPLOYMENT SERVICE



SERVICE FOR EVERYONE
LOCAL STATE NATIONAL



Governor Francis W. Sargent



Herman V. LaMark
Director

PUBLIC EMPLOYMENT SERVICE



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**Administrative Report on the
MASSACHUSETTS EMPLOYMENT SECURITY LAW
For Fiscal Year 1968
THE COMMONWEALTH OF MASSACHUSETTS**

Division of Employment Security
Boston, Massachusetts 02215

PUBLICATION OF THIS DOCUMENT APPROVED BY ALFRED C. HOLLAND, STATE PURCHASING AGENT.

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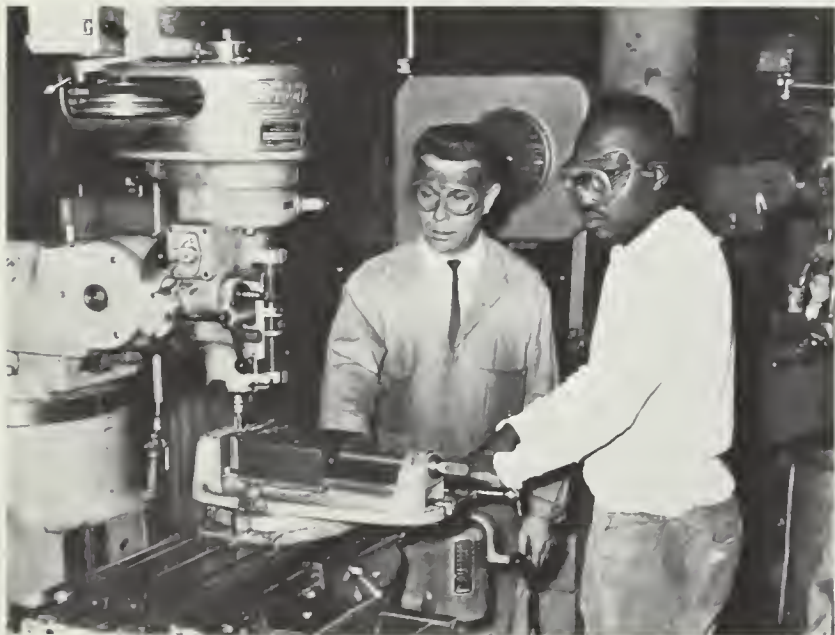
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Counseling the Unemployed



Occupational Counseling



Training the Unemployed



Paying Unemployment Insurance

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massachusetts economy HIGHLIGHTS OF 1968 year OF PROGRESS

massachusetts economy

Fiscal year 1968 was a period of continued record high employment and record low unemployment. Employment in June 1968 was 2,431,400, some 18,200 above that of June 1967 and 371,100 above employment in 1958. The growth over the year and for the ten-year period was in non-manufacturing with Massachusetts following the national trend with its swelling demand for more and more services whether they be in construction, wholesale and retail trade, service or government. Jobs in manufacturing industries had fallen off during the year and were down some 10,600 below the number in June 1967. Unemployment during the twelve-month period averaged 4.1% of the labor force, the same as for the previous year and well below the 5.8% in 1958.

In spite of the high level of employment and the almost chronic shortage of workers to fill skilled and semi-skilled jobs, a large number of hard core unemployed, disadvantaged individuals and members of minority groups remained without jobs. Efforts on the part of government and private agencies to improve the employability of these unemployed and underemployed men and women were supplemented during this fiscal year by employers, employer organizations and labor. Thousands of these men and women were referred to government-sponsored manpower training courses or to employer-sponsored on-the-job training opportunities.



Many of these men and women needed courses in basic education, courses in the English language so they could communicate with employers, or courses in good work habits before they could be enrolled in training to teach them skilled or semi-skilled occupations. While thousands of these persons have benefited from these manpower programs, many more thousands remained unemployed at the end of the fiscal year.

comparative indicators of massachusetts economy

INDICATOR	1963	1964	1965	1966	1967
Civilian Work Force (thousands)	2,309.0	2,316.5	2,351.5	2,418.3	2,470.4
Total Employed (thousands)	2,172.8	2,183.9	2,235.4	2,313.2	2,367.6
Total Unemployed (thousands)	134.6	132.1	114.6	102.0	101.0
Percent Unemployment Work Force	5.8%	5.7%	4.9%	4.2%	4.1%
Total Personal Income (millions)	\$ 14,547	\$ 15,431	\$ 16,440	\$ 17,675	\$ 18,909
Per Capita Income	\$ 2,770	\$ 2,919	\$ 3,067	\$ 3,271	\$ 3,488
Average Weekly Wages (Covered Employment)	\$ 96.69	\$ 101.35	\$ 104.79	\$ 109.48	\$ 114.23
Amount U.I. Benefits (thousands)	\$137,704.4	\$133,228.3	\$105,938.5	\$ 87,317.6	\$ 94,034.3
Number New U.I. Claims	344,584	303,308	251,658	229,781	229,194
Percent Insured Unemployment	5.6%	5.0%	3.9%	3.1%	3.1%
Number Subject Employers	107,510	107,848	107,866	107,815	107,264
Total Covered Wages U.I. (millions)	\$ 7,653.3	\$ 8,041.2	\$ 8,544.4	\$ 9,320.81	\$ 9,964.2
Total Taxable Wages (millions)	\$ 4,935.1	\$ 5,025.5	\$ 5,208.8	\$ 5,506.0	\$ 5,675.8
Balance of Fund (millions)	\$ 189.1	\$ 196.2	\$ 227.6	\$ 288.9	\$ 328.0
Nonagricultural Placements	168,219	153,414	154,540	142,807	138,472
Value Construction Contracts (millions)	\$ 1,068	\$ 1,083	\$ 1,093	\$ 1,222	\$ 1,412

HIGHLIGHTS OF 1968

human resources

The new concept of service to the unemployed began during fiscal year 1967 and was expanded during fiscal 1968. Under this new approach, a number of existing programs and services of the Division were focused on the problem of the unemployed, particularly the long term unemployed, many of whom were disadvantaged through deficiencies in education, lack of skills, or language barriers. Instead of waiting for these persons to come to an Employment Office seeking assistance, the Employment Offices went into the communities to seek out such individuals.

Because of repeated discouraging experiences or rebuffs, many individuals

had lost initiative or motivation and accepted defeat in their search for a meaningful job. Through counseling techniques, the individuals' problems were brought to the surface and plan of action devised. For some it meant a government sponsored course in basic education, for others training in a skilled occupation, for others a course on how to work with other persons and accept direction on the job, or how to speak, read, and write English so they could work in an English speaking community.

The main purpose of this new approach was to improve the employability of those forgotten members of the workforce.

employment service

The major effort in fiscal year 1968 was in the field of manpower development. While the basic responsibilities of the agency continued to be met, the focus and resources of the Division were largely directed toward improving the employability of the individual so as to attack the problem of the hard-core unemployed and combat occupational shortages.

To develop these human resources, the Division reached out for the disadvantaged, the young, the old, the handicapped, and the members of minority groups, many of whom do not know of or are reluctant to ask for the services which would enable them to become productive members of the workforce.

The Employment Service took 310,430 new non-farm work applications — 138,060 female and 172,370 male. Handicapped persons accounted for 13,240 of the applications.

Counseling interviews were given to 83,484 applicants. In addition, 12,523 General Aptitude Test Battery examinations, 13,787 special aptitude tests and 5,971 proficiency tests were given.

A total of 303,520 non-farm referrals were made and a total of 133,244 non-farm placements.

unemployment insurance

Unemployment Insurance claims activity declined to a new low in fiscal year 1968. Initial claims dropped to 445,947 and continued claims to 2,562,211 as compared with 481,591 and 2,592,116 for the previous year. The claim load was the lowest for a fiscal year in thirteen years.

Although insured unemployment moved down, the average duration edged up; it was 5.7 weeks in fiscal year 1968 as compared with 5.4 weeks in the previous year. This is an index of duration of each spell of insured unemployment.

Benefit payments to unemployed workers totalled \$90,518,549. The av-

erage weekly benefit check was \$44.40, the highest in history. This was due to fuller employment at higher wages over the past few years and to a higher maximum benefit rate. Unemployment Insurance for Ex-servicemen and Federal employees amounted to \$3,909,828.

The two billion dollar milestone in the payment of benefits for the Division was reached in December 1967.

In November 1967, a new system for the payment of benefits by communicating directly with the computer in the central office was inaugurated in the Worcester claims office. Some 14 other offices are to be converted to the new equipment by the end of the year.

YEAR OF PROGRESS

year of progress

There has been hardly a year since the establishment of this agency more than three decades ago that has not shown some progress, but fiscal year 1968 was exceptional in the magnitude of changes.

Foremost among these changes was the new concept of services to the unemployed. Not only was the Division concerned about the fact that an individual was unemployed and wanted to find a job, but it was now concerned about why the individual was unemployed and why he found, in so many instances, difficulty in obtaining and holding a meaningful job. This was the inception of the Human Resources Development Program. In a period of record high employment in the state, why were so many persons unemployed for long periods and what was needed to improve their employability? This was the problem that needed so many answers. This was a problem which was a deterrent to full employment in the state and a drag on the economy.

As the Human Resources Development Program became operative and the various component services took on more importance, it was decided that a more effective operation would be achieved by separating the Employment Service functions and the Unemployment Insurance functions of the Division. This would allow for greater specialization on the part of the personnel, and thus afford a greater degree of service to the general public wanting, or needing, the services of the agency.



From the time the Division of Employment Security began in the mid-1930's, data processing equipment has been used. During the 1968 fiscal year the Division continued the conversion to a computer. Massachusetts is one of three states in the nation to conduct pilot studies in the use of a computer for Unemployment Insurance procedures. Checks for Unemployment Insurance will be written simultaneously in the local offices while the computer in Boston authorizes the issuing of such checks.

By computerizing this vast bookkeeping system a great amount of clerical detail is eliminated and the number of costly errors are minimized.

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hrd

Human Resources Development (HRD) is a new program designed to provide special services, not only to those who seek us out for help, but also to those for whom we must reach out, the hard-core unemployed who are most in need of our services. These are the job seekers who, in many instances, are so discouraged they have stopped trying. They have become the "unemployables", excluded from meaningful job opportunities and the chance to earn a living wage.



The HRD concept involves a focusing of Division staff and resources on reaching these people, improving their employability, developing jobs for them, and placing them in these jobs. Additionally, new methods are being used to encourage such individuals to take advantage of the new opportunities. Division employees are deeply involved. Local office staff members have been stationed in Concentrated Employment Centers in the ghetto areas. Indigenous Division personnel seek out, on a person to person basis, those individuals in need of employability services. These staff members inform them about the counseling, training, and placement services available. At the local HRD units applicants are referred for job training, education, medical and other remedial services to improve their job qualifications. At the same time, employers are asked to cooperate by making their job specifications less rigid so that these applicants can be given the chance they deserve.

Many HRD applicants make better workers than they themselves thought possible. Their greatest handicap has often been a lack of confidence. A little help, a word of praise or approval at the right time by a counselor or employer, can help motivate these individuals to acquire the skills and habits necessary to progress in their jobs once they are employed.

The HRD program can offer renewed hope and self-respect to the hard-core unemployed by providing the services which will lead them to meaningful employment.

cep

The Concentrated Employment Program (CEP) is one of the major efforts to direct manpower forces against poverty. The program is designed to focus manpower program efforts on certain target areas that have particularly heavy unemployment and underemployment.

The sponsors of the CEP program are the local Community Action Agencies of the Office of Economic Opportunity. These sponsors provide outreach and orientation services and plan and coordinate all aspects of the program under subcontract agreement with other agencies.

Under the CEP plan, the Division of Employment Security provides the manpower services. These include counseling and testing, referral to training, job placement and development, follow-up, and the payment of appropriate training allowances under the Manpower Development and Training Act.

To administer these services, the Division provides professional staff for the Concentrated Employment Program. Supervisory personnel are assigned for administrative control, and placement interviewers and counselors are stationed in the Orientation and Neighborhood Employment Centers located in the target areas of the CEP.

The interviewers and counselors in the target area centers are responsible for interviewing CEP applicants and contributing to a determination as to whether the applicants are ready for employment or should be enrolled in the various work training components of the CEP.

Interviewers and counselors in the Manpower Service recommend to the Director of the CEP Center the assignment of each CEP applicant to an appropriate training course. The Service then continues with the applicant to provide counseling throughout his period of orientation. This Service also provides for the record keeping and the payment of allowances during the period of orientation training.

On the basis of the orientation and skill training received and on the basis of the supportive counseling given each applicant throughout the program, the Manpower Service in the Center develops suitable job openings. Once placement is accomplished periodic follow-ups are made to assure that CEP enrollees are making satisfactory progress on the job.





many
disadvantaged
workers
call
areas
like
his
'home'

mdta

The Manpower Development and Training Act, (MDTA) designed to train people for jobs that have skill shortages, has undergone many changes since its acceptance in 1962. Amendments increased the scope of the act. The range of programs under the act broadened each year, as certain aspects of the programs were changed due to the experience gained, and as new approaches were tried. The latest changes reflect the new emphasis on serving the most disadvantaged, including those with combinations of problems such as lack of education, minority group status, long-term unemployment, poverty, and being a teenager or an older-worker.

Since the start of the program in Massachusetts, nearly 20,000 young people and adults have completed vocational training under the Manpower Development and Training Act. With the growing public awareness of the problems of the hard-core unemployed and the disadvantaged minority group members in the Commonwealth, greater emphasis was placed on the job training and placement of these groups. Some 3,900 minority group members and some 4,200 educationally deficient job seekers received training under MDTA.

MDTA covers a broad and comprehensive range of programs. Its primary purpose is to train people for jobs which exist or can be developed. Training has been conducted in all the major occupational groups, ranging from auto mechanic to draftsman to data pro-

cessing programmer. In addition, refresher training has been given in professional nursing and other technical occupations. The Division of Employment Security determines what kind of skills are in demand and in what areas, and certifies MDTA projects to train the unemployed for the jobs where they are needed.

For fiscal year 1967-1968, funds totalling \$6,520,988 were allocated to Massachusetts to provide manpower training under the Manpower Development and Training Act. The Division of Employment Security in cooperation with the Bureau of Vocational Education developed 90 manpower projects for 3,345 unemployed and underemployed workers. In the selection and referral of trainees to MDTA training courses, 2,682 were enrolled in occupational training and 663 in basic education, communication skills, and employment orientation training. The majority of these trainees will help alleviate persistent shortages in the metal trades and in clerical and service occupations. Some 600 MDTA graduates will move into the health services industry where critical manpower shortages exist for licensed practical nurses, nurse aides, medical laboratory assistants and general duty nurses.

MDTA helps the unemployed and underemployed develop marketable skills which not only improve their employability, but enables them to make better use of their aptitudes and interests. It can provide needed basic education, work orientation training, classroom

instruction, preapprenticeship training, on-the-job training, or a combination of these types of training.

Persons eligible for enrollment in MDTA projects include youths and adults who are unemployed or underemployed; those whose skills have become obsolete because of technological advances; members of minority groups who may have certain cultural, emotional, social, or other handicaps; and others whose educational or economic situation may make it difficult for them to develop the necessary skills to enter into or train for meaningful jobs.

The local offices of the Division of Employment Security actively seek out the unemployed and underemployed for participation in MDTA programs. Prospective trainees are interviewed and counseled, and are tested to determine interest, suitability, and aptitudes for job training, or the possible need for basic education training or other special services in connection with the training. After selection, the applicants are referred to appropriate training courses. Trainees who are heads of households and have dependents may be eligible to receive subsistence allowances, living expenses, and travel expenses. After completion of the training each enrollee is assisted in locating a suitable job.

A survey of training activities under MDTA, made by the Massachusetts Division of Employment Security, shows that 83.6 percent of the manpower training graduates, still in the labor force, are now gainfully employed.

nab

Job Opportunities in the Business Sector (JOBS) is a new program in which American business has been asked to apply its talents to the critical national problem of finding jobs for the hardcore unemployed.

The JOBS program is the outgrowth, for the most part, from the experience with on-the-job training under the Manpower Development and Training Act. This experience indicates that OJT probably offers the most hopeful permanent solution to the problem of hardcore unemployment. Reports show that 9 out of 10 of those who receive Government sponsored on-the-job training go on to good jobs.

In announcing the JOBS program, the President said he was calling on leading business executives to establish a National Alliance of Businessmen (NAB) to help achieve its goals. The specific task of the Alliance is to help put 100,000 men and women on the job by June 1969, and to find productive jobs for 200,000 needy youth this summer. In the Boston area the initial goals for the year are 2,000 full time jobs and 5,000 summer jobs.

In order to help NAB achieve these goals a new part-

nership between Government and Industry has been formed. Under the JOBS plan, the cooperating companies provide employment and training to hard-core unemployed workers identified by the Government.

The JOBS program is closely linked with the existing functions of the Division of Employment Security and the Concentrated Employment Program.

The Employment Service has assigned area staff specialists responsible for involvement of the business sector in developing, funding and implementing special programs designed to increase training and job opportunities for the disadvantaged who are unemployed and underemployed. These specialists assist the local representative of the National Alliance for Business and the Regional Manpower Administrator by helping employers to prepare proposals for JOBS projects, identifying occupations suitable to the needs of the hardcore unemployed.

The referral of trainees to JOBS projects is the responsibility of the Concentrated Employment Program and the State Employment Security offices. All trainees must be certified as hard-core disadvantaged by the CEP or the ES.

Individuals eligible to participate in the JOBS program have neither manual nor social skills. They are poor; they are school dropouts, under 22 or over 45;

they are handicapped by a physical, mental or emotional impairment, or suffer special obstacles to employment, such as race or color, and have been unemployed for 15 weeks or more. Those are the criteria of the hard-core.

Many of the chronically unemployed can be assimilated in industry simply by easing present job entry requirements. Most of them, however, need more training than the typical new employee. They may require basic education, transportation services, correction of health problems, personal counseling, or other special help, all of which involve extra costs to employers. Thus, most employers need financial help if they are to train these low-skilled workers and prepare them for well paying jobs, and this help may have to continue until the worker reaches a reasonably high level of productivity. Under the JOBS program these extra costs are borne by the Government. Under the JOBS program, employers are asked to fit men to jobs. The people for whom these job openings are intended, are the workers that employers have traditionally screened out. To hire those customarily rejected requires not only changing of hiring requirements, but a reorientation of thinking and the setting aside of preconceived notions about the inability of disadvantaged applicants to make good on a job. Lacking job skills, work experience, education and social acceptance, these disadvantaged unemployed



persons will remain jobless and without hope unless job opportunities are made a reality for them. The intent of JOBS is to provide such opportunities.

The JOBS program is a major break-through in terms of making it possible for Business and Government to share in the development of our Nation's human resources.

services to minority groups

The Division expanded its activities in behalf of minority groups in this year as it joined forces with new agencies and groups concerned with the problems of the disadvantaged Negro and Puerto Rican residents of the urban areas while maintaining relationships with those already existing. A major activity was in the field of training Division personnel. One-day Sensitivity Conferences for Division personnel were held with addresses by representatives of organizations active in the minority groups communities. The subject-matter was aimed at generating greater understanding of minority group members and stimulating Division personnel to provide more effective services in their behalf.

The Division now has Minority Group Representatives assigned to local offices in every area where the minority population is significant, working full-time in behalf of such groups.

Working relationships were maintained with minority groups organizations throughout the State to foster positive action in providing training and employment services to minority group applicants, and to improve the level of mutual understanding of the problems and responsibilities involved.

The Division is directly involved in the National Alliance of Businessmen's JOBS program which is seeking to provide OJT training for the hard-core disad-

vantaged, with Boston as one of fifty cities throughout the country engaged in this program. This program will become more fully operative in its "basic jobs" aspects next year.

Training on the Minority Groups Program was given to newly appointed counselors, interviewers, and Minority Group Representatives. The training included Negro history, employment service objectives in serving minority group applicants, and techniques for providing better services to them.

In order to serve the many Spanish speaking members of minority groups, a pilot training program in conversational Spanish for Division personnel was undertaken.

This has placed Division personnel in a much better position to provide the necessary services to this relatively large community. Communication has become the responsibility of the Division personnel, and under this new program, Division personnel will be in a position to work effectively with Spanish speaking applicants. Some of these Spanish speaking job applicants can be referred immediately to job openings or to manpower training programs where they can learn to communicate in English.

The net effect is better understanding and more efficient service for this community.

alien and farm labor

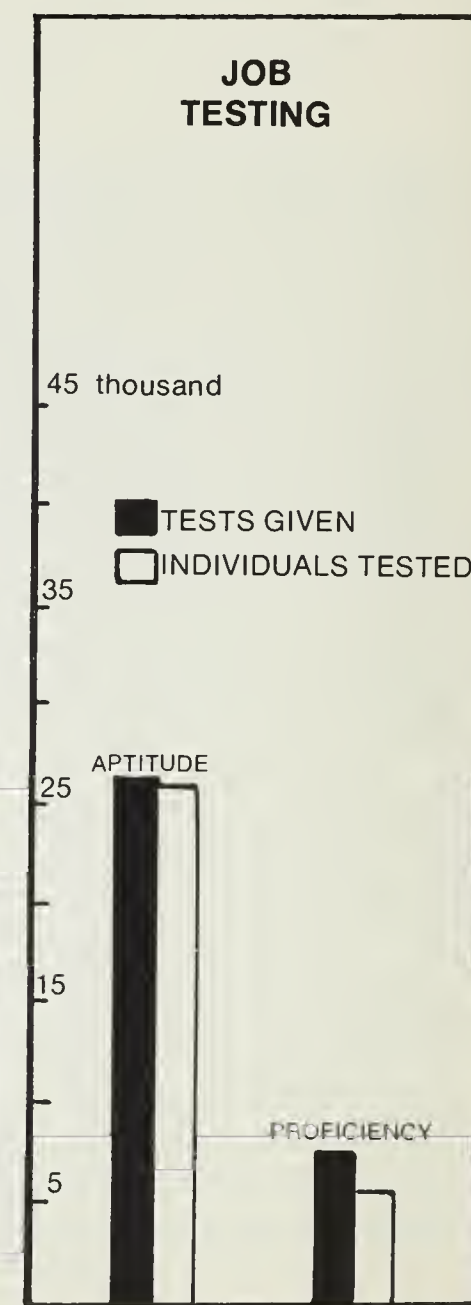
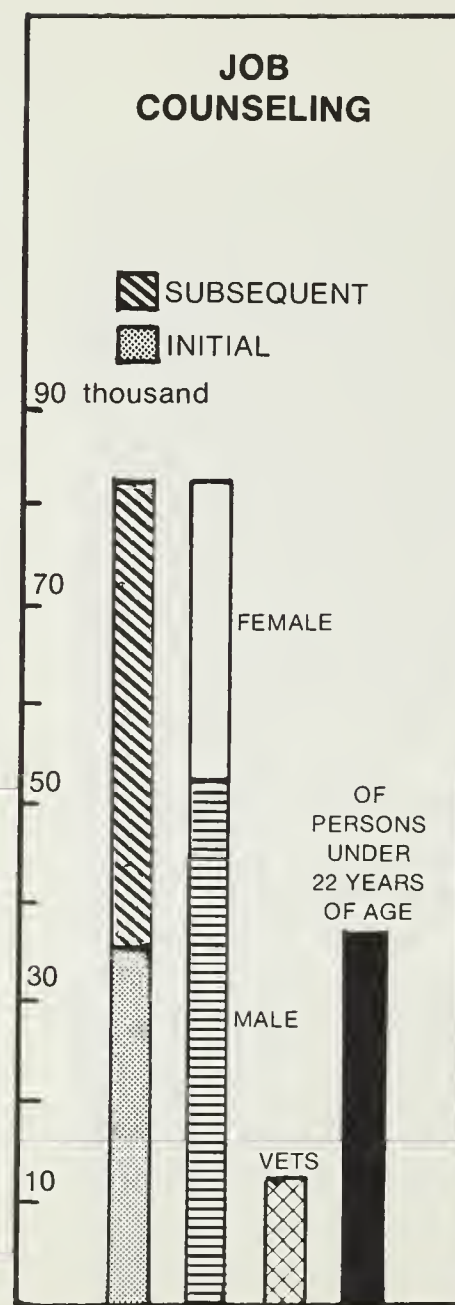
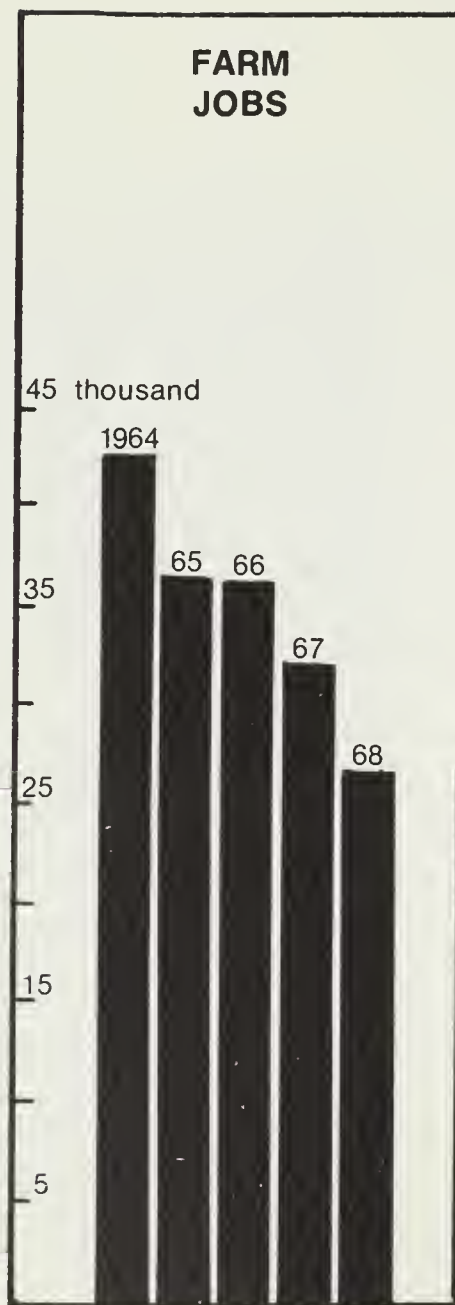
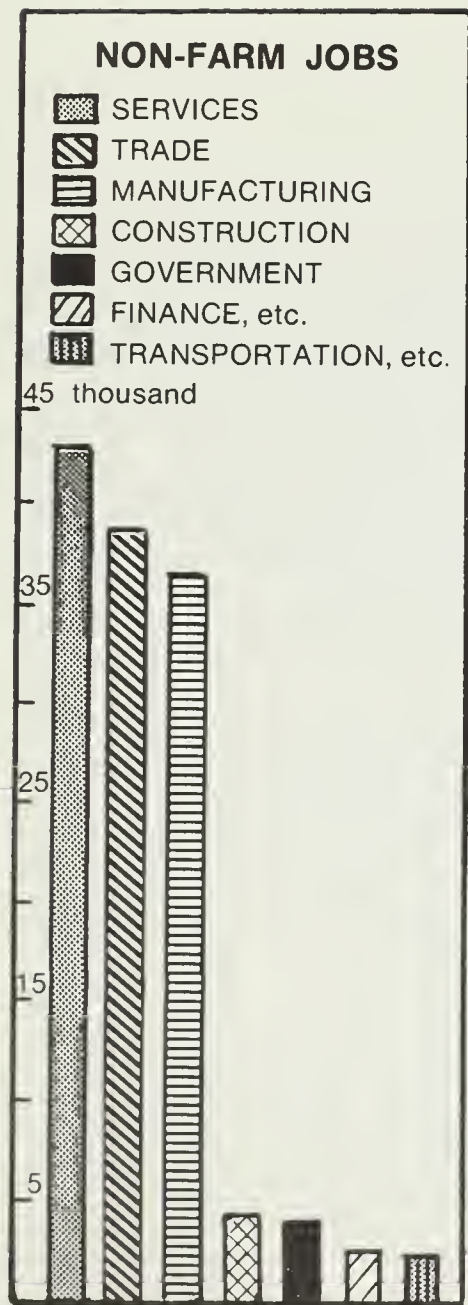
The importation of foreign workers for permanent full time employment was requested again during the fiscal year 1968. The Division's role in this field is one of checking and completing required documents, of certifying that applicants for the jobs specified in the applications are in short supply, and of transmitting the cases to the Bureau of Employment Security for final determination. Some 4,220 cases were handled during this fiscal year as compared with 3,470 in the previous year. Massachusetts ranks sixth among all states in the number of applications processed.

Some 26,900 farm placements were made by the Division during the 1968 fiscal year. This was about 16% less than during the previous year but in keeping with the downward trend shown during the past few years. Labor saving techniques, such as chemical thinning and weeding, mechanization, automation and lower turnover were all contributing factors to the lower total, as was the continuing conversion of farm land to industrial and residential development. The Division, as in previous years, cooperated with a number of public and private agencies in many activities directed toward the welfare of migrant farm workers and their families.

High school and college youth comprised the major portion of the local domestic farm labor force, commuting to and from the various worksites through organized "dayhaul" programs. Clearance recruitment activity resulted in the placement of some 2,700 out-of-state workers, with Puerto Rico supplying 2,051 contract workers for tobacco, vegetable, nursery and cranberry work. Certification was approved for use of 400 temporary foreign agricultural workers for the apple harvest.

Intensive recruitment efforts were necessary to fill the labor needs of the cranberry and apple industries. Two trailer employment offices were operated in the heaviest areas of cranberry activity and successfully met the harvesting and processing labor needs. A special recruitment effort at Fort Devens produced many off-duty servicemen and their dependents for the apple harvest activities.

During this fiscal year, legislation established a minimum farm labor wage of \$1.20 per hour, with a boost to \$1.50 by 1969, and provided also for annual inspection of farm labor camps by the State Department of Public Health.



youth activities

The Division of Employment Security continued recruitment and screening of applicants for Job Corps within the State, with the exception of the City of Boston which is contracted to ABCD for service.

During the month of February 1968, the recruitment of males into Job Corps was stopped pending a reorganization of the program. Rodman Job Corps Center, the only Urban Center located within the State, was phased out during this period.

In the period from July 1, 1967 to June 30, 1968, local offices and Youth Opportunity Centers interviewed 690 young men and women candidates for Job Corps. Of this number, 270 were referred to the Corps. Also, during this period, the Division placed a total of 166 returning Job Corpsmen and women in full time employment and placed 93 in further training programs.

During the months of March and April, a national campaign was conducted by Job Corps in conjunction with the local Housing Authorities and Welfare agencies. The response to these recruitment campaigns did not increase the assignment of youth into the Corps by any significant number.

With increasing facilities in some Job Corps Centers for the education and training of Spanish-speaking youth, contacts were made by the Division's State Job Corps Coordinator with leaders of Spanish-speaking communities throughout the State. Plans were made for the participation of Federal Job Corps officials and

Puerto Rican Job Corpsmen and Corpswomen in the recruiting of youth who would benefit from enrollment in Job Corps in fiscal 1969.

Particularly gratifying was the performance of the Division in placing some 16,100 young people in jobs



during the summer of 1967. Of these 11,272 were students placed in nonagricultural jobs during the summer of 1967. A substantial share of these student placements occurred in the Boston intown area (15.5%) with half of these being reported by out-stationed personnel in Neighborhood Employment Centers. To emphasize the importance of such placements, here is a quote from the 1967 report:

"The dollars-and cents rewards which summer jobs offer to our student youth are immediate and most obvious, and sometimes overshadow additional important benefits, the effects of which will remain for a far longer time. Beneath the impersonal statistics presented herewith is the heartening fact that many thousands of youngsters found in their summer jobs, experiences which could help them toward productive careers once their schooling ends. These young people were introduced to the responsibilities associated with holding down a job and budgeting a paycheck, and to the personal adjustments which must be made in becoming a participant in the world of work. Such experiences can and should be immeasurably useful."

Plans were formulated late in the fiscal year to conduct a similar program statewide in the summer of 1968, with activities in Boston to be planned by and under the auspices of the newly-formed National Alliance of Businessmen. The Division will contribute supporting staff to this effort, the results of which will not be measurable until the next Fiscal Year.



veterans

SERVICES TO VETERANS

The long record of intensive employment service for Veterans was upheld in this year, during which placements of veterans went up by 1,700 to 23,900. New cooperative agreements were concluded with the Veterans' Administration in Massachusetts and Rhode Island (which serves veterans from some parts of Massachusetts) establishing procedures for referrals and services by each agency. Also, procedures and staff assignments were formulated to participate as fully and effectively as possible with "Project Transition" and other programs directed toward servicemen recently or about to be separated from the armed forces. These included further participation in pre-retirement seminars held at military bases to provide Employment Service information to prospective retirees.

In order to provide a centralized information service to itinerant veterans and others, a full-time staff member was assigned to duty at the John F. Kennedy Federal Building in downtown Boston at the U.S. Veterans' Assistance Center. His function is to advise and direct veterans to the proper sources for assistance with their employment problems. In all local offices, Veterans' Employment Representatives continued to provide services to veterans.



handicapped

Special services to the physically and mentally impaired were provided again this year, involving close relationships with 15 agencies or organizations providing services to the handicapped. The annual National Employment of the Physically Handicapped Week was organized, promoted, and observed.

A total of 13,000 new applications were taken from handicapped persons during fiscal year 1967-68. Of these, 5,440 were given initial counseling interviews. Some 5,365 handicapped persons, including 1,380 veterans, were placed.

A new agreement was worked out with the Massachusetts Rehabilitation Commission updating the role of each agency in their long-standing cooperative relationship to serve the handicapped. Other new developments included joining with the Epilepsy Society of Massachusetts to contribute to its new in-depth "Project Rehabilitation" which involves counseling, rehabilitation services, and placement of epileptics, and with the Greater Boston Labor Council, AFL-CIO, in sponsoring a two-day conference on Rehabilitation and Labor Health.



nonagricultural placements

year ending june 30, 1968

PUBLIC EMPLOYMENT SERVICE



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TOTAL — ALL INDUSTRIES 133,244

Men 70,779

Women 62,465

Veterans 23,900

Handicapped 5,365

Persons Under 22 Years of Age 42,075

AGRICULTURAL PLACEMENTS 26,915

COUNSELING INTERVIEWS 83,484

Initial 36,115

Subsequent 47,369

Initial Counseling Interviews to Persons

Under 22 Years of Age 16,658

TESTING SERVICES

Total Number of Tests Given 34,062

Aptitude 26,473

Proficiency 7,589



unemployment insurance

During 1967-1968, some 446,000 jobless workers in Massachusetts filed claims for more than 2,600,000 weeks of unemployment and were paid \$93,518,549 in benefits, slightly more than the \$91,198,857 paid in the previous year. In addition, unemployment compensation for former Federal employees and unemployed Ex-servicemen amounted to \$3,909,828.

The two billion dollar mark in cumulative benefit payments was reached half way through the fiscal year (in December 1967); by June 30, 1968 payments had

climbed to \$2,055,649,236. The first billion milestone in the payment of benefits was reached in 1959, some 20 years after the Unemployment Insurance program began. The second billion milestone was reached in less than half that length of time.

During the year 36,429 field investigations were completed for the Division and Employment Security agencies of other states. Some 10,063 employer payrolls were audited with 6,078 or 60 percent showing discrepancies. The audits resulted in potential refunds of \$20,132 to 200 employers and in potential contributions to the Division of \$683,943 from 5,878 employers.

On November 20, 1967, the Pilot Data Communication System became a reality with the Worcester local office making unemployment insurance benefit payments by communicating directly with the computer. Under this system all claimant records are maintained in the computer which can compute the payment, print the benefit check and update the claimant's record simultaneously. Some 14 offices of the Southeast and Northeast Districts have already been converted.

Employer contributions for the fiscal year totaled \$121,074,322.43, a decrease of \$12,285,510.00 as compared with the previous year. The decline reflected the collection of employer contributions under schedule B, a lower rate schedule for the entire four quarters of 1967-68 as compared with the contribution collection under D, a higher rate schedule, for three quarters and under B for only one quarter of 1966-67.



state claims activities fiscal year 1967 - 1968

	FISCAL YEAR	% CHANGE
	1967 - 1968	FROM 1966 - 1967
Total — Initial Claims	445,947	— 7.4
Intrastate	438,117	— 7.5
Interstate	7,830	+ 0.1
Total — Continued Claims	2,562,211	— 1.2
Intrastate	2,518,190	— 1.3
Interstate	44,021	+ 5.8
Ratio Of Continued Claims to Initial Claims	5.7	
Interstate Liable Claims		
Initial	15,578	+ 10.1
Continued	99,044	+ 14.4
Amount of UI Benefits Paid	\$93,518,549	+ 2.5
Average Weekly Benefit Amount	\$ 41.74	+ 5.0
Average Weekly Duration of Benefits	12.6	+ 3.3

statement of financial transactions

	YEAR ENDING JUNE 30, 1968	CUMULATIVE TOTALS 1936 THROUGH JUNE 30, 1968
Balance at Beginning of Period	\$301,961,971.39	\$
Contributions Collected (Net)	121,074,322.43	2,245,046,409.53
Interest on Investments	12,482,424.54	151,934,582.78
"Reed Act" Distribution		5,058,610.43
Reimbursement under TEC Program ²		4,604,536.00
Received From Bureau of Employment Security ¹	38,933.04	294,226.36
TUC-UI Funds Transferred to U.C. Benefit Account ³		561.00
"Reed Act" Funds Returned to the Fund		228.21
Reimbursed Benefit Payments ⁵	19,715.00	50,388.00
Excess FUTA Collections ⁶	14,748.33	143,451.76
Excess in U.C. Contingency Fund ⁸	62,481.15	62,481.15
TOTAL	\$435,654,595.88	\$2,407,195,475.22
U.I. Benefit Payments (Net)	93,071,824.96	2,055,649,235.99
Transfer To Railroad Unemployment Trust Fund		2,312,725.57
"Reed Act" Funds Withdrawn ⁴		600,112.25
Reimbursable Benefit Payments ⁵	20,008.00	53,539.00
TUC Repayments ⁷		6,017,099.49
TOTAL DISBURSEMENTS	\$ 93,091,832.96	\$2,064,632,712.30
Balance, June 30, 1968	\$342,562,762.92	\$ 342,562,762.92

¹ Received from Bureau of Employment Security-amortization of cost of buildings previously purchased.

² TEC — Temporary Extended Unemployment Compensation Act — (April 1961 - June 1962)

³ TUC — Temporary Unemployment Compensation Act of 1958 (July 6, 1958 - July 4, 1959)

⁴ "Reed Act" funds used for acquiring land and buildings exclusively for the use of the Division.

⁵ In accordance with Section 14 (o) of the Massachusetts Employment Security Law.

⁶ FUTA taxes collected in excess of the amount required to make full restoration of 1958 TUC costs.

⁷ TUC repayments to the Federal government for the loan made on account of the Temporary Unemployment Compensation Act of 1958.

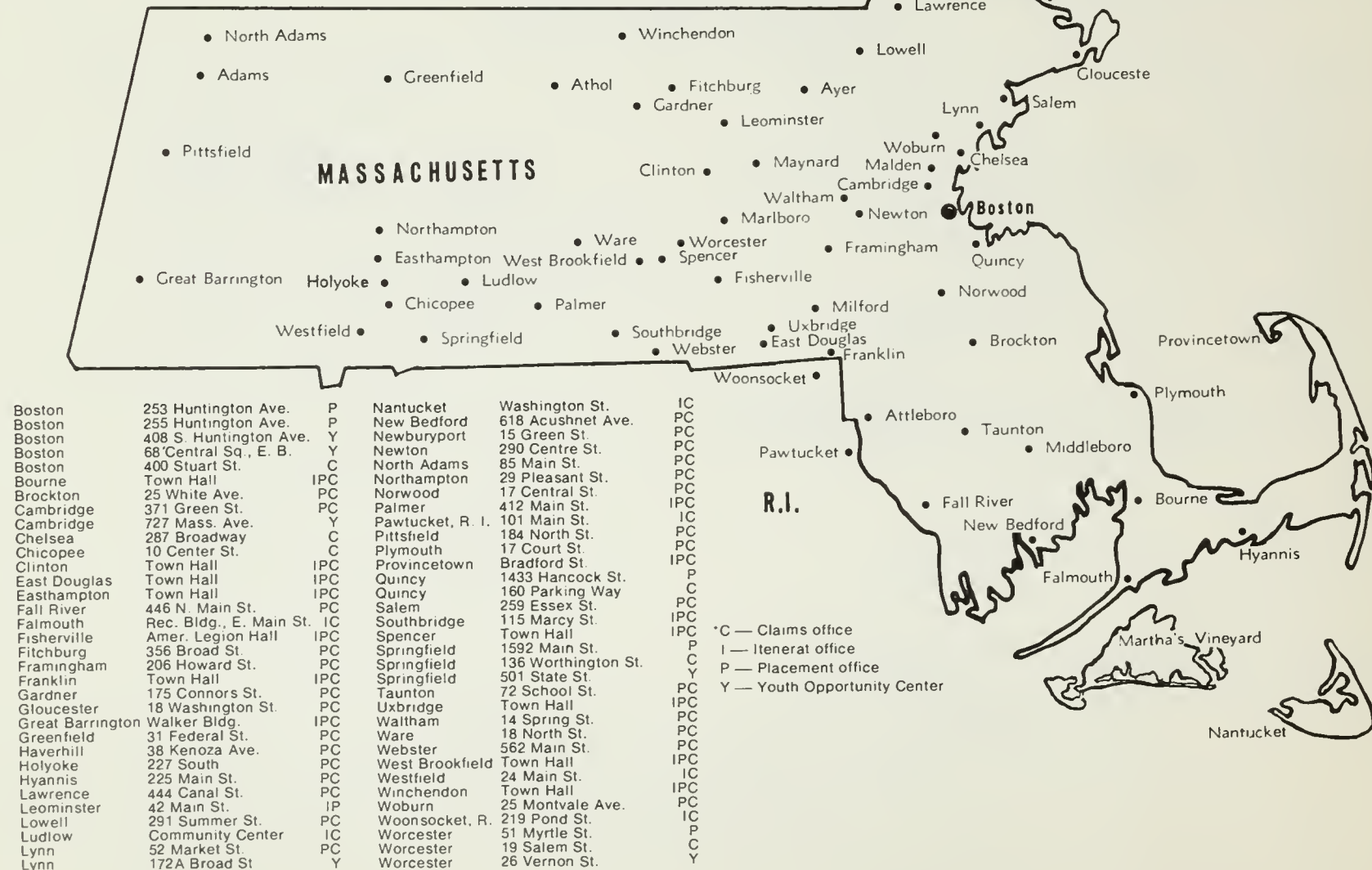
⁸ Annual transfer, on September 30, of excess in UC Contingency Fund to the Unemployment Trust Fund.

***claims activities under federal programs
fiscal year 1967 - 1968***

		% CHANGE
UNEMPLOYMENT COMPENSATION FOR	AMOUNT	FROM 1966 - 67
Federal Employees		
Initial Claims	4,469	+ 56.5
Continued Claims	44,587	+ 16.7
 UNEMPLOYMENT COMPENSATION FOR		
Ex-Servicemen		
Initial Claims	5,058	+ 30.9
Continued Claims	30,245	+ 21.7
 BOTH PROGRAMS COMBINED		
Weeks Compensated	84,968	+ 21.7
Amount Benefit Payments	\$3,909,828	+ 19.5

DIRECTORY OF OFFICES

Location	Address	Type*	Location	Address	Type*
Adams	Town Hall	IC	Malden	213 Main St.	PC
Athol	534 Main St.	PC	Marlboro	186 Main St.	PC
Attleboro	29 Park St.	PC	Martha's Vinyd.	Lake Ave., Oak Bluffs	IC
Ayer	Town Hall	IPC	Maynard	Town Hall	IPC
Boston	6 Somerset St.	P	Middleboro	Wareham St.	IPC
Boston	141 Milk St.	P	Milford	65 Congress St.	PC



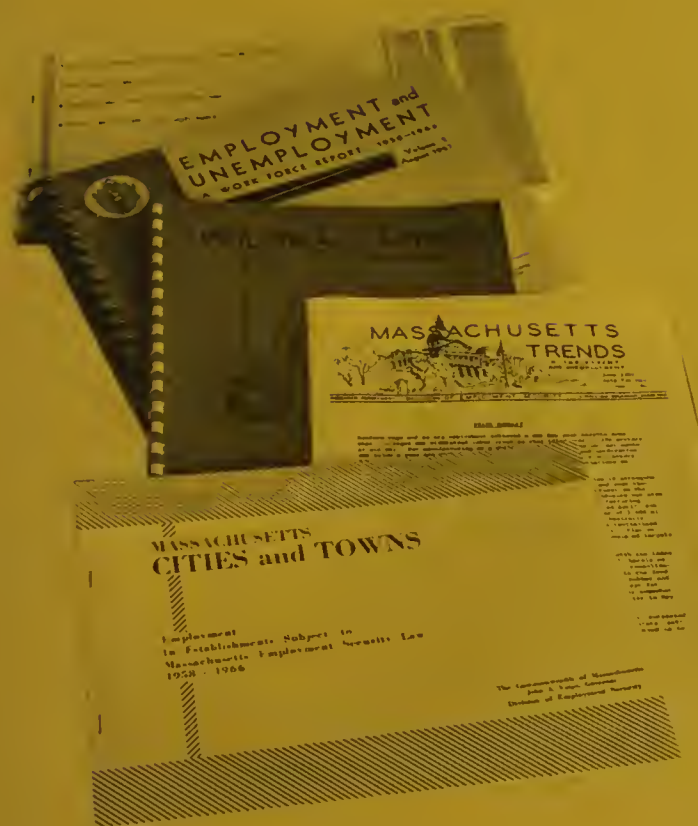
economic reports

The Division of Employment Security collects and disseminates a great volume of data relating to employment, unemployment, wages and related matters. Much of this material is basic information vital to the preparation of special studies on current conditions or economic trends in Massachusetts or in particular areas of Massachusetts.

Close to a hundred reports are prepared on a weekly, monthly or annual basis for the U. S. Department of Labor for use in national statistics on employment, unemployment and wages. Many of these reports are published and made available to the general public. Quantities of unpublished data are also made available to students, research and development groups, employer or employee organizations and others seeking information of this nature. During the past year hundreds of requests have been filled for information on the availability of labor in various segments of the State and for information on skill shortages for planning job and training courses and vocational training.

Every month the Division publishes a special Labor Market report, "Massachusetts Trends". This report is distributed to some 8,000 individuals or organizations, such as employers, Chambers of Commerce, planning groups, labor groups, newspapers and government officials.

The Division of Employment Security also maintains a library containing statistical data and reports dating from the beginning of the Massachusetts program of unemployment insurance. Many research people make use of these facilities each year. The Division is the sole source for much of this historical data. Most of this material is available on a comparative basis by years which makes it particularly valuable for persons doing research studies.



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informational activities

The major objectives of the Information Department of the Division are to inform and educate the general public about the many programs, services, and activities of the agency and to develop a good public relations posture. Because of the multitude of programs, services, and activities with their complexities and divergencies, the Information Department must utilize all of the techniques and tools of the public relations profession.

During the fiscal year 1968, press releases were sent to all newspapers and other news gathering sources by both the Administrative Office, on statewide happenings, and the local employment and claims offices on local activities. During this year, some 4,150 news items concerning the Division of Employment Security were clipped from newspapers in the State — an indication of widespread interest in the Division.

A major informational program began about the middle of the fiscal year — a television program called Job Bank. It was a weekly, one-half hour program which listed the many job openings and job training opportunities available, particularly for the untrained and hard-core unemployed. An important feature of the show was that interested viewers could call in immediately to a special telephone circuit for further information about the jobs listed. The time and the production costs were given as a public service by a major Boston television station. During the thirteen weeks this program was on the air, more than 6,000 telephone calls were received.



Toward the end of the fiscal year, the TV program format was changed to a series of one-minute spot announcements, shown some ten to twelve times a day, still listing job openings and job training opportunities. The new format proved to be even more attractive than the weekly one-half hour show. Research studies indicated that the one-half hour show had some 20,000 household impressions a week while the new, one-minute announcements had some 2.5 million household impressions a week.

While thousands of placements or job training referrals resulted from this program, the main goal was to provide a service to the public and improve the public image of the Division of Employment Security.



staff training

The Training Department, during fiscal year 1968, continued to increase its training activities. Out-service college courses in guidance, counseling and related subjects were arranged at 14 accredited colleges for employment counselors and interviewers.



Some 33 training conferences by the Bureau of Employment Security were held for 78 employees, from Principal Interviewers to Assistant Directors. Special training in Computer Systems Analysis was scheduled for members of the staff of the Data Processing Department. Because the Division expects to eliminate many non-typing clerical positions, courses in basic typing were conducted to prepare clerical personnel for typist jobs. In-service training was conducted for 227 new personnel, for 57 employment counselors, and for 38 claims adjusters. Training classes were held for local office interviewers, both newly recruited and permanent employees. Refresher training courses in management functions were given to local office managers and head interviewers, and basic management courses were held for newly assigned managers. Sessions for training personnel of the Division in many programs recently undertaken by the Division were held throughout the State.

Of special interest has been the pilot training program undertaken to teach some local office personnel conversational Spanish in order to serve more effectively the relatively large number of Puerto Rican and Cuban individuals who have not yet acquired a facility in English.

This is in keeping with the new concept of bringing the services of the Division to those in the communities, rather than waiting for members of the communities to come to the Employment Offices of the Division. As the result of this pilot program, plans are being made to continue and expand the Spanish speaking training in the 1969 fiscal year. If training of Division personnel in the languages of other ethnic groups is indicated in the future, courses will be planned and undertaken.

management analysis

At the beginning of fiscal year 1968 a new Department within the Division of Employment Security was established for the purpose of developing and evaluating management procedures, policies and techniques to improve the effectiveness of management within the agency.

These Management Analysis techniques are widely used in private industry but are relatively new in government agencies. The personnel assigned to this new Department received out-service training at colleges and universities and are equipped with the latest knowledge in the field of management.

During the year a number of the recommendations of this new Department have been put into effect, including a major revision and mechanization of inventory control of all supplies and equipment. Studies are being made with a view to greater use of the Division's computer and other data processing equipment and the elimination of many manual clerical operations. An important part of this department's responsibilities is to effect greater coordination of procedures and operations between various operating and staff departments of the agency.

Similar Management Analysis Departments have been set up in Employment Security Agencies in other states throughout the United States. There is a flow of information among them so that new methods or techniques found effective in one state can be adopted in another without the necessity of conducting as much basic study and analysis.



Some of the current management procedures in effect in the Division cannot be changed as long as some of the staff departments of the Administrative Office are located in different areas throughout Boston. When the new Administrative Office building in Government Center is ready and all such staff departments are brought under one roof, a number of the Management Analysis Department's recommendations can be implemented and certain duplication of records and operations can be eliminated.

fiscal expenditures

All administrative expenses for the Division of Employment Security come from a 100% Federal grant from the U.S. Department of Labor.

The money for the Federal grant derives from a payroll tax paid by employers subject to the Federal Unemployment Tax Act. This tax is 4/10% of the first \$3,000 paid to each worker; employers of four or more workers are subject.

The budget of the Division is reviewed by the U.S. Department of Labor and the books of the agency are audited by this Federal Department. In addition, all expenditures of the Division are audited by the Massachusetts Auditor's Department. Also, all expenditures must conform to all laws, rules and regulations of Massachusetts and to Federal standards.

Total expenditures amounted to \$20,109,062 during this fiscal year. Salaries and personnel benefits accounted for 84.4% of the total expenditures. Rent, heat, light, supplies, telephone service and other non-personal costs made up the balance.

Strict budget controls are maintained and reviewed constantly and certain parts of the budget are related to work-loads; if, for example, there is an increase in claims for unemployment insurance, above a certain limit, more funds are made available.

mdes expenditures fiscal year 1967-68

Disbursement of funds made available by the Federal government during the fiscal year ending June 30, 1968 was as follows:

Unemployment Insurance and Employment Service Program	\$18,609,697
Manpower Development and Training Act Program	1,119,915
Job Corps Program	69,264
CAMPS	8,952
Public Works Economic Development Program	5,283
Work Incentive Program	5,227
Summer Youth Demonstration Project	9,690
Professional Applicant Study	44,490
Bureau of Labor Statistics	8,761
Concentrated Employment Program	227,783
Total	\$20,109,062

The following table shows a comparison of operating expenditures for fiscal year 1967 - 1968:

CATEGORY	FY-1968
Personal Services	\$15,337,455
Personnel Benefits	1,634,729
Supplies	217,541
Communication Services	257,628
Travel	173,536
Printing and Binding	7,314
Equipment — Rent	667,735
Equipment — Repairs and Alterations	15,001
Premises — Rent	1,330,747
Premises — Repairs and Alterations	13,854
Heat, Light, and Water	114,305
Equipment Purchases	41,843
Outservice Training	33,699
Miscellaneous	263,675
Total	\$20,109,062

personnel services

Fiscal year 1968 was another period showing a relatively large number of personnel retiring from the Division of Employment Security. There were 48 retirements in this year and this brought the total for the last five fiscal years to 267, an average of more than one a week. Many of the retirees were in the middle and upper management levels.



Recruitment of qualified individuals for entrance level positions became increasingly more difficult. In the past few years, open competitive Civil Service examinations have been held for a number of positions, but the number of eligibles passing the examinations has been disappointing.

The difficulty experienced in recruiting qualified personnel for the Division of Employment Security is quite similar to the problems in private industry during this record high level of employment. Another complication in Civil Service recruitment, however, has been the relatively irregular schedule of qualifying examinations. To combat this problem, the Legislature in 1967 authorized the Division of Civil Service to announce continuous open competitive examinations. The Division of Employment Security, under the provisions of this law, requested and had approved the listing of nine classifications for this type of examination. During the last half of this fiscal year, three such examinations were held.

In the last quarter of the fiscal year, the Division of Employment Security entered into its first collective-bargaining agreement. The agreement was with the American Federation of State, County, and Municipal Employees, AFL-CIO. This agreement covers all job classifications in the local offices of the agency below the level of middle management. Two other agreements are to be completed; one covering all classifications in the Administrative Office below the level of middle management and the other covering all classifications of middle management, both in local offices and the Administrative Office.

Total employment in the Division at the close of the fiscal year was 2,287 persons, 56 less than at the beginning of the fiscal year.

claims determinations

Original determinations on claims of questionable eligibility are made by adjusters in the local offices, except when a labor dispute is the issue or where the claim against Massachusetts has been filed in another state. The Determinations Division makes determinations on labor dispute cases, and the Interstate Division on claims outside Massachusetts.

Claimants who are disqualified from receiving benefits and employers who disagree with the determinations granting benefits, may make application to the Determinations and Hearings Department for review of the initial determination. Decisions of the Hearings Division may be appealed to the Board of Review.

The number of initial determinations on disputed claims totalled 142,732 in fiscal year 1968. Benefits were disallowed in 41% of these cases.

Claimants and employers dissatisfied with the initial determinations appealed to the Determinations and Hearings Department for review in 1 out of 13 decisions.

Other appeals disposed of by the Hearings Division were 529 relating to alleged over-payments, 125 to experience rating chargebacks, 59 employer status cases and 508 agent-state cases on which hearings were held at the request of other states.

claims investigation

For the purpose of determining any payments made through error or through fraud, the Division maintains a continuing program of investigation of all unemployment insurance claims paid. Erroneous payments may result from misunderstanding on the part of claimants or from clerical errors or from wilful misrepresentation. Most fraudulent claims are filed by individuals who claimed they were not working, while in fact they were employed. The Division has the responsibility of recovering any such erroneous payments regardless of the reason for such payments.

During the fiscal year 1968 there were some 72,300 claims that indicated that further investigation should be undertaken. This was about 3% of all claims for benefits filed. After complete investigation and audits were made, some 1,180 cases showed that an overpayment of some type had been made, less than 4/10 of 1% of all claims paid.

During the fiscal year 1968 all of the various investigative measures of the Division showed that less than one-half of one percent of all Unemployment Insurance paid had been paid in error or through fraud. The total amount of these overpayments was slightly over \$416,200. During this same fiscal period, more than \$567,900 were recovered from claimants, some a carry-over from previous years.

legal

During fiscal year 1968, the Legal Department handled 2,885 cases which required various legal processes or court actions. Unpaid contribution cases accounted for 74%, while overpayments to claimants (including cases of "wilful misrepresentation") accounted for 14%. Other cases included applications for payment of benefits due estates of deceased claimants, and petitions to District Courts for review of Board of Review decisions.

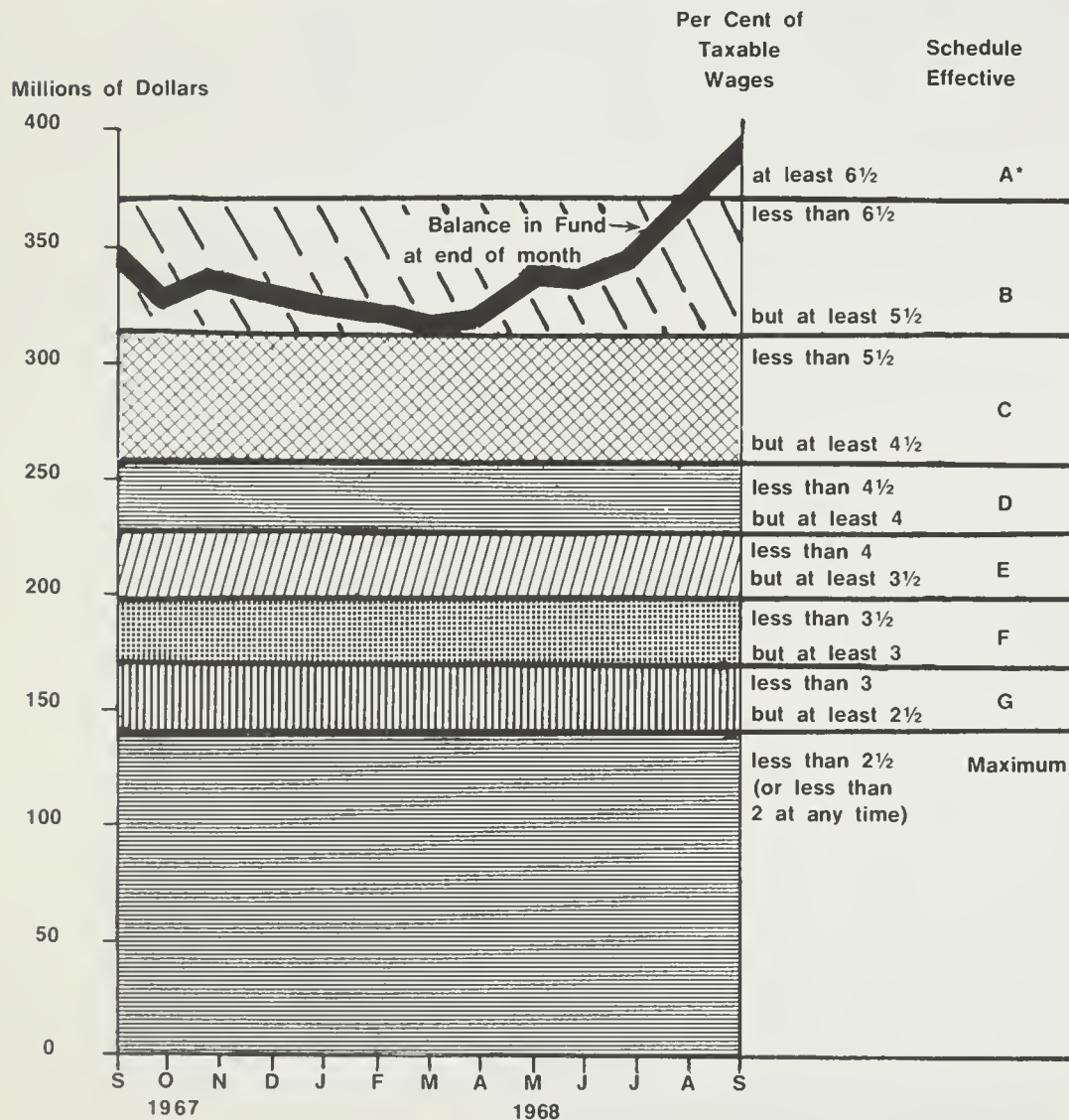
Some 50 petitions to District Courts were received by the Legal Department during the year. The Department also had 144 cases carried over from the previous year.

Of the cases closed, the decision of the Board of Review was affirmed in 26 cases, reversed in 5 cases, and dismissed or withdrawn in 30 others. A total of 45 answers were filed in court in connection with petitions to District Courts.

At the beginning of fiscal year 1968 there were two cases pending in the Supreme Judicial Court. One additional case was entered during the year. The Supreme Court upheld the decision of the Board of Review in two cases and the appeal on one case was withdrawn.



MASSACHUSETTS DIVISION OF EMPLOYMENT SECURITY
UNEMPLOYMENT TRUST FUND LEVELS AT SEPTEMBER 30, 1968 - COMPUTATION DAY
AT WHICH RESPECTIVE SCHEDULES WOULD BE EFFECTIVE FOR CALENDAR YEAR 1969
(AS PROVIDED BY CHAPTER 614 OF MASSACHUSETTS ACTS OF 1961)



* In effect year 1969

advisory council

The Advisory Council of the Division of Employment Security is charged by the laws of the Commonwealth with the responsibility of reporting to the Governor at least quarterly and to the General Court annually, and at such other times as the General Court may require, its conclusions about the actuarial status of the Unemployment Compensation Fund.

The Council also recommends revisions of the Employment Security Law with respect to contributions, benefits and other matters, which in its opinion, may be necessary to maintain the solvency of the Fund.

board of review

Employers and claimants dissatisfied with lower-authority decisions or, in the case of labor dispute issues, with initial determinations, may appeal to the Board of Review. During fiscal year 1968, 6,775 appeals were filed, including 4,438 labor dispute cases, a substantial proportion of which were filed by persons idled by work stoppages at three large Massachusetts firms.

The Board disposed of 3,230 appeals; 2,307 were decisions and 923 were either defaulted or dismissed. The bulk of the 3,937 cases pending at the end of the year included over 3,500 cases relating to labor disputes.

staff

Director Herman V. LaMark

Deputy Director Kenneth V. Minihan

Assistant Directors John F. Doherty
Isaac F. Fine
Charles F. McCarthy
Max Nyer
John P. Sullivan
James J. Walsh

Chief Counsel Chester A. Higley

Advisory Council Frank DeBar, *Chairman*
Hyman Segal
Joseph A. Dunn
Eleanor F. Wheeler
George P. Govostes
Daniel J. McCarthy

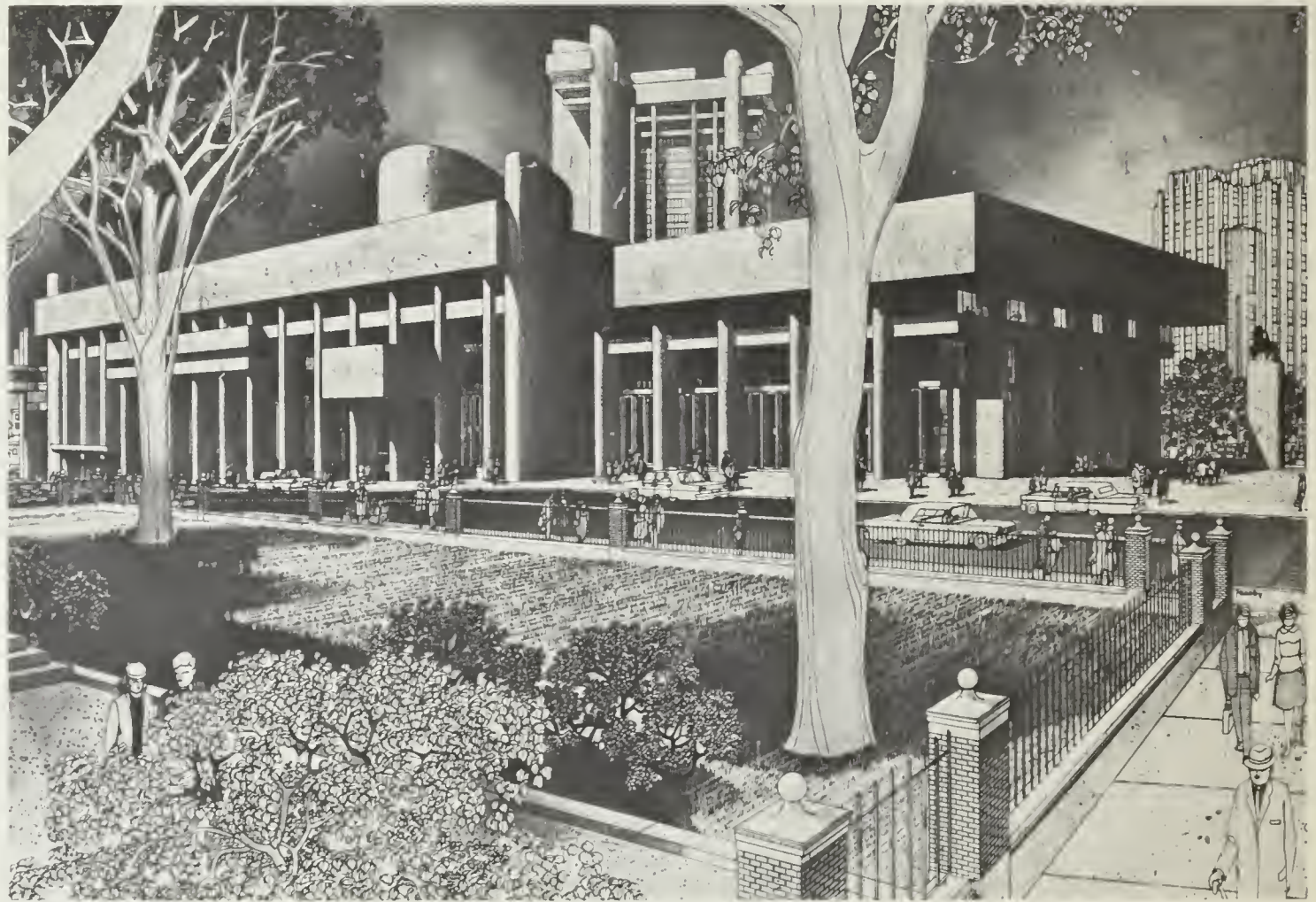
***division
of
employment
security***

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administrative
office
massachusetts
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Employment Security, Division of.

MASS.

MA-20.1: 969

THE COMMONWEALTH OF MASSACHUSETTS

DIVISION OF EMPLOYMENT SECURITY

Government Documents
Collection

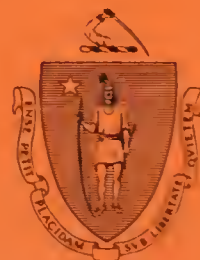
DEC 17 1970

University of Massachusetts

1969

ANNUAL REPORT

(for Year ending June 30, 1969)





Herman V. LaMark, Director

The Commonwealth of Massachusetts

Division of Employment Security

Charles F. Hurley Employment Security Building

Government Center, Boston, Mass. 02114

Office of the Director

Honorable Francis W. Sargent
Governor of Massachusetts
State House
Boston, Massachusetts

Dear Governor Sargent:

In accordance with Section 93 of the General Laws of the Commonwealth, I hereby submit a report on the activities and accomplishments of the Division of Employment Security for the fiscal year 1969.

During the year, the Division placed heavy emphasis on assisting the long-term unemployed, minority group members, welfare recipients, the handicapped, and youth. This effort was implemented by employment counseling within the Division or referral to other agencies for vocational training, job orientation, basic education, or a combination of these services.

Despite this attack on hard-core unemployment, all other services and programs of the Division continued. These activities included the payment of unemployment benefits, recruiting workers for industry, collecting and disseminating labor market and occupational information, job placement, services to veterans and older workers, employment counseling, aptitude testing, and referral to skill training.

As part of its manpower services, the Division presently administers or participates in more than 60 programs. These programs are carried out as requirements of either Federal or State Law or as part of the agency's obligations under its grant-in-aid from the Federal Government.

Sincerely,

A handwritten signature in dark ink, appearing to read "Herman V. LaMark".

Herman V. LaMark, Director



Governor Francis W. Sargent

Administrative Report on the
MASSACHUSETTS EMPLOYMENT SECURITY LAW
For Fiscal Year 1969
THE COMMONWEALTH OF MASSACHUSETTS

Division of Employment Security
Boston, Massachusetts 02215



Herman V. LaMark
Director

Publication of this Document Approved by Alfred C. Holland, State Purchasing Agent.

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DIRECTORY OF OFFICES

Location	Address	Type*	Location	Address	Type*
Adams	Town Hall	IC	Malden	213 Main St.	PC
Athol	534 Main St.	PC	Marlboro	186 Main St.	PC
Attleboro	29 Park St.	PC	Martha's Vinyd.	Lake Ave., Oak Bluffs	IC
Ayer	Town Hall	IPC	Maynard	Town Hall	IPC
Boston	6 Somerset St.	P	Middleboro	Wareham St.	IPC
Boston	141 Milk St.	P	Milford	65 Congress St.	PC

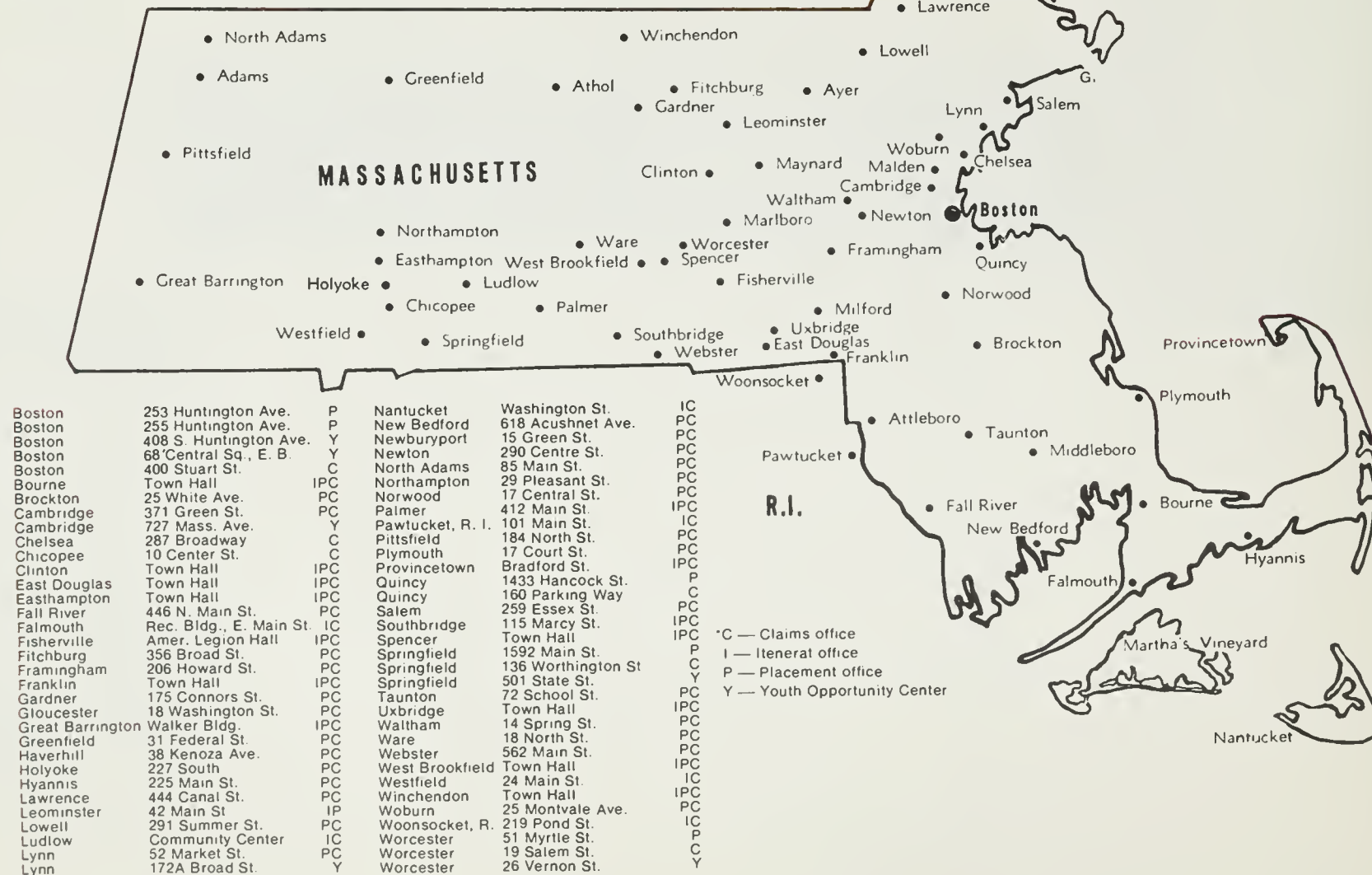


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Saul Gurvitz



massachusetts economy highlights of 1969



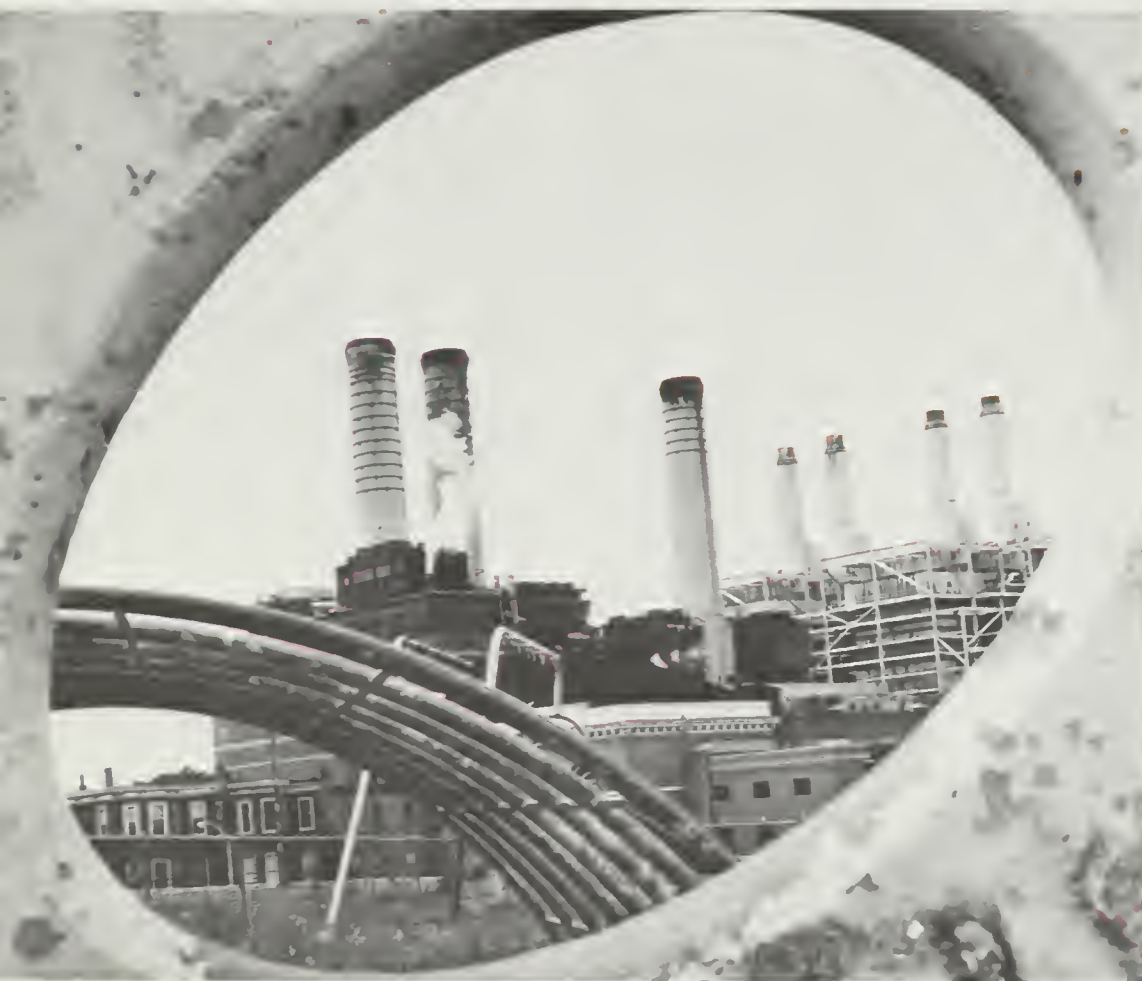
highlights of 1969

In fiscal 1969, the Division pressed ahead on the path charted for it since the enactment of the Manpower Services Act of 1966. The year was marked by many changes in the Division's structure and functions so as to fulfill the Congressional intent that Employment Service output should be directed toward those who are at a relatively severe disadvantage in competing for position in the nation's economic structure — the unemployed or underemployed poor. Within this altered framework the Employment Service strove to reshape its organizational deployment, planning and operations to give priority service to young people under age 22, mature persons over age 44, members of minority groups, school dropouts and the handicapped.

During this eventful year the Work In-

centive Program authorized by the December 1967 amendments to the Social Security Act became a major program of the Division. By June there were 19 teams of Division personnel providing employability services to welfare recipients.

During this fiscal year progress also continued on the conversion to a computer system for paying unemployment insurance checks simultaneously in the local offices while the computer in Boston authorizes the issuing of such checks. The initial step of converting from the Synchrotape to an RCA 5925 Communication terminal in the local offices was completed and by June three offices (Worcester, Brockton, and Fall River) were paying checks "on line" with the computer.



massachusetts economy

Fiscal 1969 ended with a record high civilian work force of 2,590,900, a gain of 30,500 over June 1968 and 304,800 over June 1959. In each of the twelve months of fiscal '69 the employment figure set a new record for the month while the number of persons unemployed was well below the year-before count in nine of the twelve months. The growth in jobs during the year and during the decade has been confined to the nonmanufacturing division, most notably in service, trade and government. Employment in the manufacturing sector continued to decrease over the year but at a slower rate than in fiscal '68. Unemployment averaged 4.0 percent during fiscal '69, slightly below the 4.1 percent for fiscal '68 and well below the 6.5 percent for fiscal '59.

An effective combination and coordination of federal, state and local agencies, both public and private, continued to attack social, physical and economic problems in the Commonwealth during the year. In addition to providing services for the disadvantaged, these agencies have extended their services to include people who though not disadvantaged are underemployed or have other problems affecting employability. More training has been made available through manpower training courses for those capable of accepting the training and of performing more productive work. Energies have been directed toward all segments of the community not only to channel the unemployed into jobs with a future but also to upgrade the skills of those who are employed. Much was accomplished in fiscal '69 but much more remains to be done.

comparative indicators of massachusetts economy

INDICATOR	1963	1964	1965	1966	1967	1968
Civilian Work Force (thousands)	2,309.0	2,316.5	2,351.5	2,418.3	2,470.4	2,503.0
Total Employed (thousands)	2,172.8	2,183.9	2,235.4	2,313.2	2,367.6	2,396.4
Total Unemployed (thousands)	134.6	132.1	114.6	102.0	101.0	102.0
Percent Unemployment Work Force	5.8%	5.7%	4.9%	4.2%	4.1%	4.1%
Total Personal Income (millions)	\$ 14,547	\$ 15,431	\$ 16,470 *	\$ 17,783 *	\$ 19,315 *	\$ 20,974
Per Capita Income	\$ 2,770	\$ 2,919	\$ 3,072 *	\$ 3,291 *	\$ 3,554 *	\$ 3,835
Average Weekly Wages (Covered Employment)	\$ 96.69	\$ 101.35	\$ 104.79	\$ 109.48	\$ 114.23	\$ 121.08
Amount U.I. Benefits (thousands)	\$137,704.4	\$133,228.3	\$105,938.5	\$ 87,317.6	\$ 94,034.3	\$ 93,262.1
Number New U.I. Claims	344,584	303,308	251,658	229,781	229,194	227,104
Percent Insured Unemployment	5.6%	5.0%	3.9%	3.1%	3.1%	2.9%
Number Subject Employers	107,510	107,848	107,866	107,815	107,264	108,422
Total Covered Wages U.I. (millions)	\$ 7,653.3	\$ 8,041.2	\$ 8,544.4	\$ 9,320.8	\$ 9,964.2	\$ 10,738.8
Total Taxable Wages (millions)	\$ 4,935.1	\$ 5,025.5	\$ 5,208.8	\$ 5,506.0	\$ 5,675.8	\$ 5,913.9
Balance of Fund (millions)	\$ 189.1	\$ 196.2	\$ 227.6	\$ 288.9	\$ 328.0	\$ 372.2
Nonagricultural Placements	168,219	153,414	154,540	142,807	138,472	128,152
Value Construction Contracts (millions)	\$ 1,068	\$ 1,083	\$ 1,093	\$ 1,222	\$ 1,445	\$ 1,728

* Revised

unemployment service

Reflecting the state's vigorous economic expansion and higher employment, U.I. claims activity declined further, falling to a new low in fiscal year 1969.

The number of Benefit Payment checks disbursed to unemployed workers (2,142,666) decreased by 4 percent from the year-earlier figure. The amount was only half as much as that disbursed in fiscal 1964 (3,896,787), the peak from which the steady downtrend in the payment of benefits to claimants began. Benefit disbursements at \$94,298,897.29 (net) for 1968-69 were slightly higher than the \$93,071,824.96 paid to jobless workers for the preceding year. The increase reflects the raising of the maximum benefit rate on October 13, 1968 from \$54 to \$57. Higher base year earnings by claimants also contributed to the upturn. These factors were also responsible for the rise in the average weekly check for total unemployment to \$47.12 from \$44.40 in the previous year and that for partial unemployment to \$24.46 from \$22.40.

During the current fiscal year a total of \$4,876,326 was paid to ex-servicemen and former Federal civilian workers.

state claims activities fiscal year 1968 - 1969

	FISCAL YEAR	% CHANGE FROM
	1968-1969	1967-1968
Total—Initial Claims	415,530	— 6.8
Intrastate	407,003	— 7.1
Interstate	8,527	+ 8.9
Total—Continued Claims	2,444,478	— 4.6
Intrastate	2,398,474	— 4.8
Interstate	46,004	+ 4.5
Ratio Of Continued Claims to Initial Claims	5.9	
Interstate Liable Claims		
Initial	14,861	— 4.6
Continued	99,093	+ 0.1
Amount of UI Benefits Paid	\$94,905,776	+ 1.5
Average Weekly Benefit Amount	\$ 44.29	+ 6.1
Average Weekly Duration of Benefits	12.8	+ 1.6

claims activities under federal programs fiscal year 1968-1969

	AMOUNT	% CHANGE FROM 1967-68
UNEMPLOYMENT COMPENSATION FOR		
Federal Employees		
Initial Claims	4,787	+ 7.1
Continued Claims	50,678	+ 13.7
UNEMPLOYMENT COMPENSATION FOR		
Ex-Servicemen		
Initial Claims	6,862	+ 35.7
Continued Claims	42,016	+ 38.9
BOTH PROGRAMS COMBINED		
Weeks Compensated	101,991	+ 20.0
Amount Benefit Payments	\$4,876,326	+ 24.7

employment service activities

fiscal year 1968-1969

NONAGRICULTURAL PLACEMENTS

Total	<u>120,645</u>
Men	62,261
Women	58,384
Veterans	<u>21,196</u>
Handicapped	<u>5,350</u>
Persons Under 22 Years of Age	<u>37,795</u>

AGRICULTURAL PLACEMENTS

COUNSELING INTERVIEWS

Initial	29,701
Subsequent	43,620
Persons Under 22 Years of Age	<u>29,568</u>

TESTING SERVICES

Total Number of Tests Given	<u>27,155</u>
Aptitude	21,806
Proficiency	5,349

employment service

During the year the Employment Service Division continued to concentrate its strength upon the long-range program for providing intensified services to the unemployed and disadvantaged, in order to improve their employability and to find them gainful employment.

Such programs as HRD (Human Resources Development), CEP (Concentrated Employment Program), MDTA (Manpower Development and Training) and JOBS (Job Opportunities in the Business Sector) were representative of the specialized efforts being utilized.

In the fiscal year 1969 the Employment Service offices took 249,700 new non-farm work applications, 111,500 female and 138,200 male. Handicapped persons accounted for 12,200 of the applications.

Counseling interviews were given to 73,300 applicants. Some 9,560 general aptitude tests, 11,360 specific aptitude tests and 4,330 proficiency tests were administered.

A total of 261,300 non-farm referrals were made which resulted in 120,650 placements. Included among these were 5,350 handicapped persons and 21,200 veterans.



hrd

The need to bring as many as possible of the "not at work, but job ready" people into a mutually profitable employer-employee relationship continued to be recognized. Most manpower resources not absorbed by the employability effort were devoted to job development, job placement, and general promotional activity necessary to the worker — job matching process.

Objectives and goals were pointed squarely toward refining the planning and operational tactics most conducive to the general advancement of Human Resources Development, particularly to the placement of disadvantaged persons in suitable jobs. Modification of workload concepts and execution paved the

way toward greater concentration upon the needs of those in the population least able to fend for themselves successfully in the job-seeking process.

During the year, more than 50,000 work applications were filed by the "45 and over" group; close to 9,000 counseling interviews were conducted and nearly 23,000 placements were made. In addition to its annual placement drive during Senior Citizens' Month, the Employment Service cooperated with National Council of Senior Citizens in



establishing Senior Aide Programs to provide part-time municipal employment at Boston, Fall River, New Bedford, and Quincy.

The long-standing program to give counseling and job-finding services to prospective parolees and to cooperate in work-release programs for inmates of correctional institutions con-

tinued; supplemented by a program, started in 1966, to help persons with prison records meet bonding requirements of employers.

A greater amount of time was devoted to those whose employability assets were more difficult to measure and translate into a suitable program of service. Consequently, emphasis shifted from a broad, comprehensive sales-approach to a selective and very specific approach aimed at inducing the employer to consider a particular applicant.

In all, nearly 46,000 persons classifiable as applicants needing HRD services were placed in employment, with some 3,300 of these resulting from individual job development efforts.



cep

Efforts to bring into urban poverty areas the employability assistance needed by their residents continued under the Concentrated Employment Program (CEP). This program of manpower services offers orientation, counseling, training, job placement, coaching, follow-up, and support services — a package that includes health care, legal counsel, emergency financial help, housing, child care, and transportation. These activities are conducted at CEP Centers, strategically located in the target areas.



The manpower services are provided by out-stationed employees of the Division of Employment Security at Boston, New Bedford, Springfield, and Lowell. CEP programs statewide are sponsored by local community action agencies, and currently involve 100 Employment Service staff members, most of whom are on duty at Neighborhood Employment Centers. These Division employees are occupied with interviewing, counseling, job development, placement, referral to training, and payment of allowances — tasks which



most of them formerly performed in local offices of the Employment Service. However, they are required to maintain an open-minded approach in developing realistic employability plans that will serve each person with maximum effectiveness. They must be able to



make decisions, understand and communicate with the people of the target community, and reach and recruit the hard-core unemployed. During the year these out-stationed personnel made 10,000 job development contacts to employers in an effort to obtain work for applicants who could not be referred to existing openings. Approximately 1,200 placements resulted from these concentrated efforts. In addition, more than 8,000 placements were made on openings already listed in CEP offices. Another 9,000 placements of CEP area residents occurred in Division offices outside the target areas. Division personnel arranged for enrollment in training programs for approximately 4,500 CEP applicants who were not yet job-ready.



mdta

Operations under the provisions of the Manpower Development and Training Act were curtailed somewhat by a reduction in allocated funds. The program continued, nonetheless, to be widespread and diversified. About 100 of the Division's personnel were involved in the determination of training needs, cooperating in the negotiations for training arrangements, selecting trainees, and paying training stipends. During the year, nearly 2,700 trainees completed occupational training and 800 others completed basic education. As the year ended, over 1,200 trainees were enrolled in occupational courses and over 400 in basic education courses. It is significant that nearly 21 percent of the training approved was in health-care occupations, mainly in nursing categories, and despite shortages of training facilities and qualified instructors, about 700 unemployed and underemployed were enrolled.

An interesting departure from earlier patterns was the institution at mid-year of the "cluster" approach to training at the MDTA Skill Center at East Boston. This approach allows the grouping in one class of those occupations related educationally or industrially which involve the same skill levels or developmental progression. This approach assures the slow learner of the individualized instruction he needs.

national alliance of businessmen — jobs program

The NAB-Jobs Program (Job Opportunities in the Business Sector), this year, was one of intensive experimentation to identify and eliminate the problems of the hard-core unemployed. A combination of Federal money, channeled through Department of Labor contracts, and business has generated a most ambitious effort to wipe out persistent unemployment. Under the JOBS Program, an employer can sign a contract with the U.S. Department of Labor to be reimbursed for the expense of the extra training and services required by the hard-core disadvantaged.

This business-sponsored and government-supported program provides the disadvantaged with various services they need to find and hold a job. Through public and private agencies they are recruited, tested, oriented, transported, counseled, motivated, schooled, and trained. If they lack education, they are placed in special remedial classes. Their training is on the job, by employers, for positions they occupy as full-time employees.

The Employment Service cooperated closely in this attempt to provide full-time trainee type positions and temporary summer jobs for this group and has allocated to it considerable staff.

Although limited operationally to the Boston area at first, the NAB-Jobs Program was to be extended to the cities of Springfield, Worcester, Brockton, and New Bedford.





work incentive program

A most significant new development was the initiation of the Work Incentive Program authorized by an amendment to the Social Security Act in December 1967. After many months of planning, budgeting and negotiation of inter-agency agreements and the development of contractual and appeals procedures, Work Incentive (WIN) operations began in nine Massachusetts areas in October 1968 with over 90 Employment Service personnel assigned.

The WIN program is designed to give those heads of families receiving aid for dependent children an incentive to obtain gainful employment with a future. Before this Program, there was little financial motivation for a family to get off Welfare and become fully employed. The earnings of the head of the family would fall short of what was received through Welfare subsistence. In addition, the income would be further depleted by expenses for clothing, taxes, transportation, medical expenses, etc.

The responsibility of the program in the Commonwealth is shared by the Department of Public Welfare and the Division of Employment Security. Welfare is responsible for referrals of heads of families receiving aid for dependent children to the Division's WIN teams. Fathers and male youth are on a 'must' basis. Mothers who are heads of families are referred on a volunteer basis. Welfare also provides work related

expenses in addition to the Welfare grant during training.

The Division of Employment Security is responsible for providing counseling and the necessary training for enrollees to achieve appropriate employment with a future. Enrollees receive a training stipend, in addition to the Welfare grant, which is paid by the Division out of WIN funds. These weekly incentive payments ease the financial situation for enrollees who participate in the program.

When the enrollee is employed, a further financial incentive is given which is arrived at through a Federal formula applied by the Welfare Department. Briefly, the formula is this: thirty dollars and the first third of the enrollee's wages are disregarded. Work related expenses and compulsory deductions are also included in this disregard of earnings. The total is deducted from earnings and the result is subtracted from the Welfare grant. This remainder, or supplementary assistance is then paid to the enrollee.

There are two categories of enrollees in the program. The first category is composed of those who are job ready and can immediately be referred to suitable jobs. They are then provided with supportive services to insure job retention. Approximately seven percent of the enrollees are job ready. Those who lack job readiness form the second category. Their employability plan, which they work out with the WIN team, may include basic education, work orientation, skill training and work experience prior to placement. The largest percentage of WIN enrollees are found in this category. Nearly 2,700 were actually enrolled in WIN programs which extend for six months or longer. Training is highly individualized in a wide variety of occupational fields and is aimed at meaningful, productive, satisfying and steady employment for the enrollee. Some indication of the scope of the program is the fact that 305 sub-contracts with training establishments were negotiated during the year.

The great majority of placements of WIN enrollees by the end of June 1969 resulted in income, including supplementary assistance, of over \$150 a month above the former Welfare grant with a top of \$567.40 over the Welfare subsistence.





services to youth

For many years the Division has maintained in each of its local offices an identifiable Youth Service Unit to offer comprehensive service to young people under age 22 and to help in resolving the job-finding problems peculiar to this group. In addition, many youths were afforded service through Concentrated Employment Programs, Neighborhood Centers, the National Alliance of Businessmen and a multiplicity of community organizations throughout the State where they were given on-the-spot service by Employment Service out-stationed personnel.

Special services designed for youth included service to dropouts. During this year schools in the DES-affiliated School Program referred 1,740 dropouts for service. Of these, 1 in 3 was placed in a permanent job, some 50 were found part-time work which permitted them to return to school and 1 in 6 was referred to Job Corps, MDTA, Neighborhood Youth Corps, or similar programs.

Features of the year included the implementation of work-study programs for marginal students and potential dropouts,

counseling and placement service given to "special class" students; and Job Corps referrals which were continued on a smaller scale pending final closing of many centers. During 1969 134 enrollees departed for centers while 127 returnees were placed or given further training. A number of Employment Service offices cooperated with sponsors of Neighborhood Youth Corps projects and boosted their levels of screening, counseling, and testing potential enrollees, despite the restrictive effects of a family income standard too low to permit extensive activity in this Commonwealth. During the year, almost 2,250 youths were enrolled in projects, or 460 more than in the preceding year.

The summer job needs of young people under age 22 have for years involved the timely canvassing of employers to unearth suitable job openings and a systematic registration, selection and referral service in behalf of youth prior to the closing of schools. All previous records for placements of youth were shattered during 1968 when 20,600 were placed in non-agricultural jobs. This was 3,000 more than in 1967, despite competition for job openings from many groups, associations and agencies, public and private, not formerly active in this field of endeavor.



veterans:

The Division continued to be alert to the needs of veterans, especially those recently released from active duty. Returning servicemen were contacted individually to inform them of the various services available to them as veterans.

During the course of the year, more than 40,000 veterans filed new applications for work, 4,500 participated in 10,000 counseling interviews, and 21,000 job placements were recorded.

For more than 30 years, the Division of Employment Security has provided special employment services to veter-

ans, but this is the first time that the local offices have had the opportunity of contacting veterans individually to notify them of the manpower services available. The plan, developed by the U.S. Department of Labor and the Department of Defense, calls for the cooperation of various Separation Centers in furnishing the State Employment Service with the names and addresses of the men and women at the time of their separation.

Veterans are entitled to manpower services such as employment counseling and aptitude testing, skill training, and job placement assistance. A Veteran's Employment Representative is assigned to each local office to provide returning veterans with all the necessary occupational information and assistance they may need in their transition to civilian life.



handicapped:

The Division places increased emphasis on vocational counseling and training services in order to enhance the employability of the handicapped. Those who need to acquire or upgrade their employment skills are referred to job training courses under the Manpower Development and Training Act, while others are referred to other agencies for special services. During the last fiscal year, 12,000 work applications were filed by persons with physical or emotional impairments, 4,600 counseling interviews were held and more than 5,000 job placements resulted.

Handicapped applicants are always accorded special attention

by the Division. Local offices throughout the State cooperate with the Commission on Employment of the Handicapped, the Massachusetts Rehabilitation Commission, and many other agencies.

Perhaps, the most significant single development was the administration of the General Aptitude Test Battery to 300 cardiac out-patients at the Children's Hospital Medical Center in cooperation with the Harvard University Center for Research in Careers. This research project, "Adaptation of Young Cardiacs" has as its objective, the selection of suitable work training opportunities for this group, and is another example of assistance given whenever possible to those whose disadvantages are not necessarily economic, but are an impediment in finding suitable work.



minority groups


Throughout Massachusetts the Minority Groups Service program has encouraged participation of its Minority Groups Representatives in the activities of community agencies and organizations whose purpose is to develop and improve the life style of all members of any minority group.

Our personnel assist these organizations in staffing their operations, attend their meetings, contribute advice and counsel in matters of employability development and job market information, and are available to perform special individualized services adapted to each minority client's needs.

Fiscal '68-'69 has been a year of increased awareness of the problems and needs of the members of the minority groups communi-

ties. We have progressed far from the formal structure of selecting qualified job ready applicants for an established job opening and have opened the door to the less fortunate, untrained and disheartened minorities by going out into the Community to explain, encourage and assist those who need our help the most.

A new phase of equal opportunity has been developed during the past year. A number of our offices through the cooperation of their Minority Groups Representatives have introduced minority group youths to the advantages and opportunities of higher education, working together with COPE, an organization founded by the Federal government to provide free educational and vocational counseling and financial assistance to young people in the Greater Boston area. Its goal was to assist those youthful aspirants in setting a goal and realizing their educational potential.



farm labor

During the 1969 fiscal year, 27,081 farm placements were made by the Division. This placement figure represented a slight increase over the previous year and halted a downward trend experienced during the past few years. The seasonableness of farm employment in this Commonwealth permits maximum use of high school, college and other youth. During the summer vacation period several thousand youth were employed, primarily in tobacco, vegetable and berry harvesting. Peak seasonal labor needs could not be met by local workers, making it necessary to recruit out-of-state agricultural help from the Southern states, Canada and Puerto Rico. Adult contract workers have been recruited from Puerto Rico for many years, now under a well organized program. Recruitment of 2,000 farm workers from Puerto Rico during this fiscal year was negotiated between the



Puerto Rican Secretary of Labor and Massachusetts agricultural growers under revised contract terms, resulting in higher wages and increased fringe benefits for the workers.

Intensive recruitment efforts were made to provide an adequate supply of labor for the apple and cranberry harvests. Three trailer offices were utilized for recruitment service in cranberry areas to meet the demand for workers in the fields and in the processing plants. Area housewives, on adjusted work schedules, contributed heavily to the success of this harvest.

During the apple harvest, many off-duty servicemen and their dependents were recruited at Fort Devens. A large number of Canadians were certified for short periods of employment to help with the fall apple harvesting.

Expanded efforts to provide farm work for selected State Hospital patients, juvenile offenders and retarded youth have produced favorable results.

unemployment insurance

UI claims activity declined further, falling to a new low in fiscal year 1969. Initial claims dropped to 415,530 and continued claims to 2,444,478 as compared with 445,947 and 2,562,211 respectively for the previous year. The claim load was the lowest for a fiscal year in fourteen years.

Claims for insured unemployment under Chapter 85, Title 5 of the U.S. Code covering ex-servicemen and Federal employees moved up. Initial claims rose to 11,649 and continued claims to 92,694 from 9,527 and 74,832 respectively in the previous year.

Although insured unemployment has been moving down, the average duration has been rising with 5.9 weeks in 1968-69, 5.7 weeks in 1967-68 and 5.4 weeks in 1966-67.

The long time growth in the economy of the state brought the level of the Fund to \$385,139,939.97 on June 30, 1969. The balance was \$43 million higher than that of a year earlier and double the amount of five years before when the steady upward climb of the Fund started.

Employer contributions for the fiscal year totaled \$121,655,782.99, virtually unchanged from the amount collected from employers in the previous year. This occurred in spite of the fact that contributions for the first three quarters in the fiscal year 1969 were collected under Schedule B (the same schedule in effect for the entire preceding year) but under Schedule A, with lower rates, for the final quarter. The slight rise, even with a lower rate schedule in effect for three months, reflects higher wages paid by employers and higher taxable payrolls.



statement of financial transactions

	YEAR ENDING JUNE 30, 1969	CUMULATIVE TOTALS 1936 THROUGH JUNE 30, 1969
Balance at Beginning of Period	\$342,562,762.92	\$
Contributions Collected (net)	121,655,782.99	2,366,702,192.52
Interest	15,093,160.34	167,027,743.12
"Reed Act" Distribution		5,058,610.43
Reimbursement under TEC Program ²		4,604,536.00
Received From Bureau of Employment Security ¹	38,933.04	333,159.40
TUC-UI Funds Transferred to U.C. Benefit Account ³		561.00
"Reed Act" Funds Returned to the Fund		228.21
Reimbursed Benefit Payments ⁵	16,789.00	67,177.00
Excess FUTA Collections ⁶	667.94	144,119.70
Excess in U.C. Contingency Fund ⁸	86,450.03	148,931.18
TOTAL	<u>\$479,454,546.26</u>	<u>\$2,544,087,258.56</u>
U.I. Benefit Payments (net)	94,298,897.29	2,149,948,133.28
Transfer to Railroad Unemployment Trust Fund		2,312,725.57
"Reed Act" Funds Withdrawn ⁴		600,112.25
Reimbursable Benefit Payments ⁵	15,709.00	69,248.00
TUC Repayments ⁷		6,017,099.49
TOTAL DISBURSEMENTS	<u>\$ 94,314,606.29</u>	<u>\$2,158,947,318.59</u>
Balance, June 30, 1969	<u>\$385,139,939.97</u>	<u>\$ 385,139,939.97</u>

¹ Received from Bureau of Employment Security-amortization of cost of buildings previously purchased.

² TEC — Temporary Extended Unemployment Compensation Act — (April 1961 — June 1962)

³ TUC — Temporary Unemployment Compensation Act of 1958 (July 6, 1958 — July 4, 1959)

⁴ "Reed Act" funds used for acquiring land and buildings exclusively for the use of the Division.

⁵ In accordance with Section 14 (a) of the Massachusetts Employment Security Law.

⁶ FUTA taxes collected in excess of the amount required to make full restoration of 1958 TUC costs.

⁷ TUC repayments to the Federal government for the loan made on account of the Temporary Unemployment Compensation Act of 1958.

⁸ Annual transfer, on September 30, of excess in UC Contingency Fund to the Unemployment Trust Fund.

claims determination

Original determinations on claims of questionable eligibility are made by adjusters in the local unemployment insurance offices, except when a labor dispute is the issue or where the claim against Massachusetts has been filed in another state. The Determinations Division and the Interstate Division make all determinations in labor dispute cases and on claims filed outside Massachusetts, respectively.

Claimants who are disqualified from receiving benefits or employers who disagree with determinations granting benefits, may make application to the Hearings Division of the Determinations and Hearings Department for review. This decision may be appealed to the Board of Review.

Initial determinations on disputed claims totalled 123,898 in fiscal year 1969. Benefits were disallowed in 36 percent of these cases.

Claimants and employers appealed to the Hearings Division for review in one out of fourteen determinations.

Other appeals to the Hearings Division included 478 overpayments, 111 experience rating chargebacks, 42 employer status cases and 489 agent-state cases on which hearings were held at the request of other states.

claims investigation

The post-audit program is the major source of overpayment detection. Claimants filing initial claims in successive years are checked by cross-matching the prior year's benefit payments against wage data reported by base period employers for the second year's claim. During the fiscal year 83,044 audits of Intrastate Unemployment Insurance claims resulted in the determination of 1,071 overpayments totaling \$117,605.

Review of 1,631 claims in which the benefit credit and/or benefit rate was revised downward culminated in establishing 18 overpayments.

Investigations of 701 cases resulted from 377 employer protests of benefit charges, 9 anonymous complaints and 315 local office and administrative office requests; from these, 410 overpayments were established totaling \$47,669.

Records of six employers were audited to ascertain whether claimants failed to report earnings while receiving unemployment benefits, resulting in 17 overpayments totaling \$2,974.

In reviewing overpayment cases (1,646) established by the Claims Investigation Department and local offices, 63 cases were referred to the Assistant Attorney General for possible criminal prosecution, and compensable week disqualifications imposed in 479 cases.

legal

During fiscal year 1969, attorneys of Legal Service and the Legal Department staff handled 2,528 cases requiring legal processes or court actions. Of these, 74 percent were unpaid contribution cases; 14 percent, overpayments to claimants (including "wilful misrepresentation" cases); seven percent were applications for benefit payments due estates of deceased claimants, and five percent were petitions to District Courts regarding Board of Review decisions.

A total of 39 petitions to District Courts resulting from decisions of the Board of Review were received. In this category, 45 cases were closed leaving 93 petitions pending at the fiscal year end. Board of Review decisions were affirmed in 24 cases, reversed in one instance and 19 petitions were either dismissed or withdrawn.

There were 53 answers to petitions filed in District Courts.

advisory council

The Advisory Council of the Division of Employment Security consists of six members, two each representing employees, employers, and the public. They are appointed by the Governor who also designates one public member as chairman. The Council is charged with the responsibility of reporting to the Governor at least quarterly and to the General Court annually, its conclusions about the actuarial status of the Unemployment Compensation Fund. It also recommends revisions in the Employment Security Law with respect to contributions, benefits and other matters which may be necessary to maintain the solvency of the Fund.

board of review

Employers and claimants dissatisfied with lower-authority decisions or, in the case of labor dispute issues, with initial determinations, may appeal to the Board of Review. During fiscal year 1969, 4,741 appeals were filed, including 2,776 labor dispute cases.

The Board disposed of 5,285 appeals; 3,049 were decisions and 2,236 were either defaulted or dismissed. The bulk of the 3,393 cases pending at the end of the year included some 3,000 cases relating to labor disputes filed by persons idled by work stoppages at two large Massachusetts firms.

economic reports

One of the functions of the Division of Employment Security is the development and dissemination of employment unemployment, and labor market information to meet the informational needs of labor, management, and the public. Basic data on current conditions and economic trends in Massachusetts are contained in reports prepared weekly, monthly, quarterly, or annually for the U.S. Department of Labor for use in national statistics on employment, unemployment, and wages. Many of these reports are published and made available to the general public. Other unpublished data are available in our library for use by students, research groups, employers organizations, and others seeking information of this nature.

Estimates of the adequacy of the labor supply in individual areas of the State are provided for employers planning to locate or expand in Massachusetts. The Division also prepares summary indicators of area labor market conditions and skill shortages which are used in the planning and evaluation of manpower programs and vocational training. A Labor Market report, "Massachusetts Trends" is published monthly. Some 8,500 copies are distributed to individuals, employers, Chambers of Commerce, planning groups, labor groups, newspapers, and government officials. During the past year a special study was made of occupational projections to the year 1975 in conjunction with the Bureau of Labor Statistics of the U.S. Department of Labor for the Division of Vocational Education of the Massachusetts Department of Education.

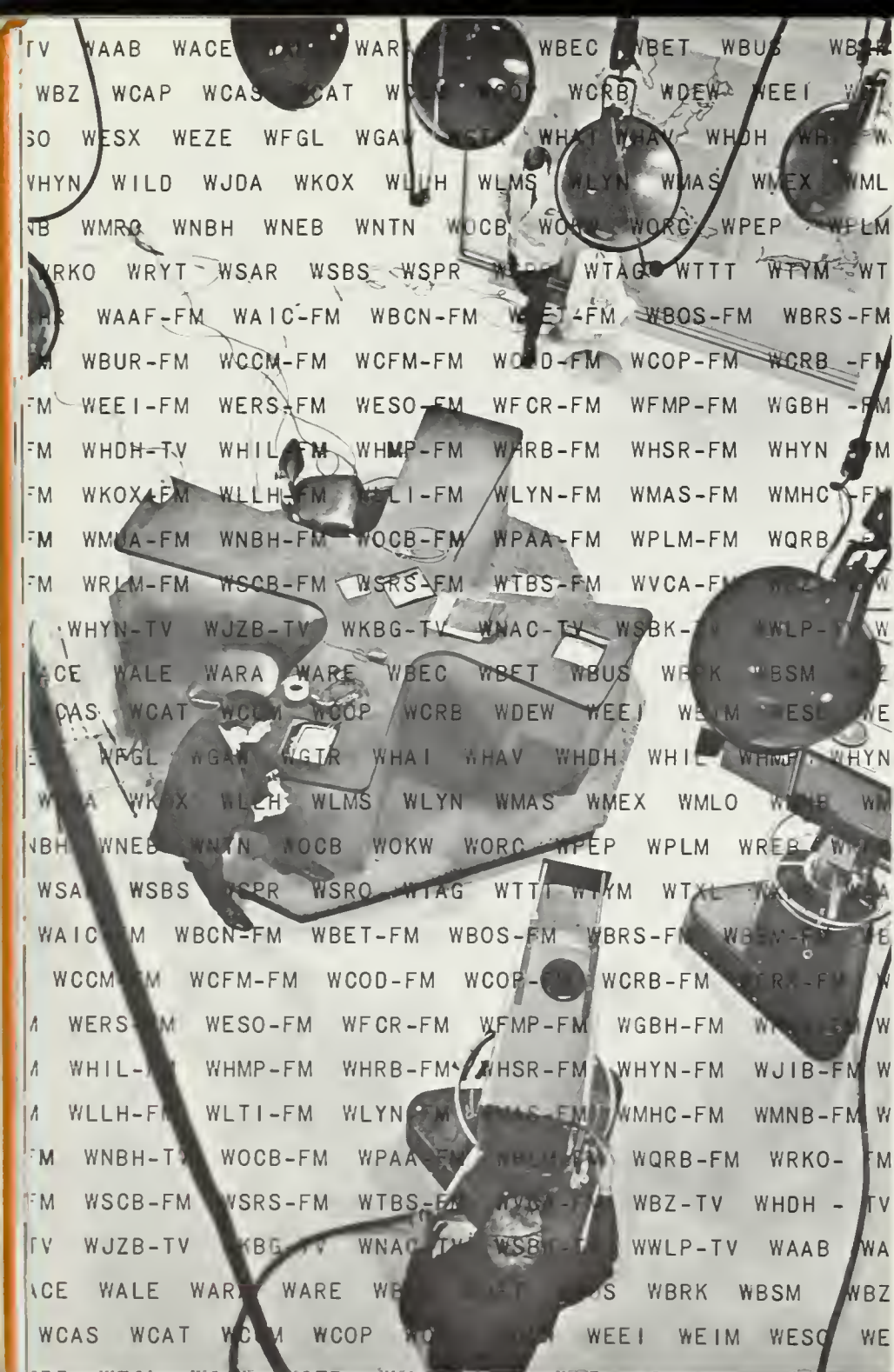
jolts — JOB OPENINGS AND LABOR TURNOVER STATISTICS

In the spring of 1969, the Division of Employment Security, in cooperation with the U.S. Department of Labor's Bureau of Labor Statistics and the Manpower Administration, expanded its current labor turnover statistics program in response to the widespread demand for information on the number and kinds of job openings.

Labor Turnover data have been collected for many years from manufacturing establishments throughout the state where they have found wide use in the comparison of individual turnover experience with that of the industry as a whole, and as an important tool in economic analyses, business forecasting and the development of programs to aid all business.

For the first time, this new pilot program has collected data from non-manufacturing industries in the Boston Standard Metropolitan Statistical Area, as well as data on the number of job openings by occupation. If the program proves successful, information will be available for all industries as an indicator of training and retraining needs, as a guide in developing programs to reduce the costly imbalance between labor supply and demand, and as a tool in counseling youth.





informational activities

The emphasis given by national policy to Human Resources Development shaped the goals of the Information Department. The primary objective was fixed at giving management, government, and the general public timely and accurate information of the expanding and changing manpower activities in the state and areas. Particular effort was given to publicizing programs which were designed to lift presently disadvantaged people to their full potential as productive members of society.

Radio and Television media, indisputably the most powerful tools of communication with the disadvantaged, were solicited with great success. A remarkable generosity was exhibited by program directors in charge of public service, with hundreds of thousands of dollars in airtime being freely given by stations in all parts of the Commonwealth. Several 5-minute and 10-minute segments were given by news directors of major news programs to newsworthy activities involving the Division.

More than two-dozen spot announcements on programs and services were written and performed by personnel from all services of the Division, taped in color, and run several times daily for months by one major Boston TV station. Some spots explained to listeners both their possible rights to unemployment benefits and their responsibilities as claimants. Others explained the job services available, while others publicized training possibilities and the special programs available for youth, older workers, veterans, handicapped, etc. The Boston TV Channel which filmed the tapes generously presented the Division

duplicates so that stations outside the Boston viewing area could also run them as a public service.

Another major application of television and radio was the daily broadcasting of job openings on hand in Division offices. One of the leading Boston TV and radio channels in cooperation with the Division operated "Job Bank" where clusters of openings were announced several times a day together with a special Job Bank telephone number manned by the Employment Service. Several other radio stations in the Boston area were supplied weekly job listings which were broadcast several times daily with the telephone numbers of the order-holding employment office. Employment offices throughout the state ran regular programs of job opportunities on local radio stations. Unfilled slots in training courses were announced as well as job opportunities.

Special efforts were made to publicize the Work Incentive Program for members of families receiving Aid for Dependent Children. Radio and TV interviews were set up in cooperation with the Department of Public Welfare. News releases were sent to every radio, TV station, and newspaper in the state to explain the program.

Press releases and photographs were also used to explain existing programs and to publicize new ones, to alert on changes in Law and administrative orders, and to report on accomplishments. Pamphlets and leaflets explaining the unemployment insurance system and various special employment services were updated to conform with these changes.

A program of advisory services to local office managers was carried out with information specialists making frequent trips to local offices as requests for help were made.

The Boston Globe Springfield Daily News

THE Fitchburg Record American Eagle

SUN THE DAILY NEWS Newburyport, Massachusetts

THE BAY STATE banner

Holbrook and Transcript

Cape News Standard-Times

The News Standard-Times

FALL RIVER

HERALD

CHRISTIAN SCIENCE

BOSTON HERALD TRAVELER

THE SPRINGFIELD UNION

MILFORD DAILY NEWS

Lawrence Eagle-Tribune

Worcester Telegram and Monitor

Springfield Daily News

Final

County

Massachusetts

Standard-Times

Traveler

Union

Item



staff training

Training activities during fiscal year 1969 continued at about the same pace as in the preceding year. There was, however, some change in emphasis required by WIN (Work Incentive Program) which began during September 1968 in selected offices across the state. This absorbed a major portion of the Training Department's time during the first half of the fiscal year.

A new development in training methods during the year was the issuance of a training outline on the taking of claims for unemployment compensation for use in local offices. The outline is based directly on the course which the Training Department has been giving orally to claims interviewers for several years.

Under the management training program arranged by the Manpower Administration for Employment Security personnel throughout the country, 25 employees attended 14 different courses held at three universities and other institutions and associations which specialize in management.

During the year 36 Employment Counselors took a total of 64 courses at ten different colleges and universities. Subjects covered were psychology, guidance, counseling and sociology. Four Employment Counselors attended training in work sampling techniques. Several Managers, Head Interviewers and Principal Interviewers completed 22 courses at 12 different colleges and universities pertaining to personnel practice, management, effective communication and the psychology of interviewing. Other employees studied such diversified subjects as alien employment certification and registration, CEP reporting techniques, cost accrual accounting and the team training concept.

Vestibule training for new interviewers assigned to local employment offices covered such topics as programs available to applicants, techniques of interviewing, psychology of the interview and recognition of applicant needs for counseling services. Selected local office claims personnel underwent two-week courses which dealt with the making of nonmonetary determinations on contested claims for unemployment compensation.

management analysis

Now in its second year of operation, this department was established, not for the purpose of making an analysis of management, but rather to make an analysis for management on matters pertaining to the effectiveness, efficiency and economy with which the Division is managed and operated.

It is the function of the Department to undertake projects and studies in order to seek and to recommend ways in which practical improvements may be made in the Division's organization, management, systems, methods, facilities and equipment and to assist in the installation of accepted management improvements.

Personnel of the Department have been and are professionally trained at colleges and universities throughout the country, in Management Analysis, Systems and Procedures, Work Measurement, Work Simplification and Electronic Data Processing.

The Management Analysts have, during this year, completed projects for nearly all services within the Division. Many of the recommendations have been accepted and implemented while others have been held in abeyance pending the assembling of all staff Departments under one roof in the new Administrative office in Government Center when it is expected that the objectives of the Department, savings in funds, personnel, material and improved efficiency of operations can be fully implemented.

Among the major projects completed and accepted in the past year were a study to improve the organization, resources, methods and techniques of the Labor Market Division of the Research Department and the planning and installation of CLASP (Claimant Advisory Service Program).



personnel services

The total number of personnel in the Division on June 30, 1969 was 2,510, an increase of 223 employees over June 30, 1968. During the current fiscal year a total of 78 employees — 31 men and 47 women — retired from the Division.

In fiscal 1969 the Division of Employment Security was able, through Chapter 203 of the Acts of 1968, to employ six graduate students from Northeastern University as Community Counseling Interns after the classification had been approved by the Personnel and Standardization, and Civil Service Departments. Our experience in the first year of the program indicated that mutual benefits were derived for the student, the University and the Division.

Initial steps were taken to set up three preprofessional positions when Personnel and Standardization and Civil Service approved the following classifications: Employment Aid, Employment Agent and Employer Contact Representative. These positions provide for the orderly progression of previously disadvantaged persons into government service through three grades, each with increasingly greater responsibilities. The Aid, Agent and Representative work with professional staff members of the Division of Employment Security, assisting persons to obtain training for employment and to find jobs.

A new classification title and position of Intermittent Claims Clerk was approved by Civil Service and Personnel and Standardization by request of this Division. This position allows the Division at the local office level to hire people who will work on an intermittent basis, as needed, to take claims for unemployment insurance. It will enable local offices to prepare to meet peaks and valleys in claim loads.

In fiscal 69 the Division of Employment Security, for the first time, resorted to the use of part-time Junior Clerk Typists in order to alleviate the shortage of full time workers in this classification.

fiscal expenditures

All administrative expenses for the Division of Employment Security come from a 100 percent Federal grant from the U.S. Department of Labor.

The money for the Federal grant derives from a payroll tax paid by employers subject to the Federal Unemployment Tax Act. This tax is 4/10% of the first \$3,000 paid to each worker; employers of four or more workers are subject.

The budget of the Division is reviewed by the U.S. Department of Labor, and the books of the agency are audited by this Federal Department. Also, all expenditures must conform to all laws, rules and regulations of Massachusetts and to Federal standards.

Total expenditures amounted to \$22,000,901 during this fiscal year. Salaries and personnel benefits accounted for 79 percent of the total expenditures. A new item for WIN contractual services occurred this year and amounted to more than \$1 million. The usual annual expenses for rent, heat, light, supplies, telephone service and other non-personal costs made up the balance.

massachusetts division of employment security expenditures fiscal year 1968-69

Disbursement of funds made available by the Federal Government during the fiscal year ended June 30, 1969 was as follows:

Disbursement of funds made available by the Federal Government during the fiscal year ended June 30, 1969 was as follows:

Unemployment Insurance and Employment Service Program	\$18,892,360.00
Manpower Development and Training Act Program	1,000,505.00
Manpower Development and Training Act — Project #8202	93,805.00
Job Corps Program	48,138.00
CAMPS	59,081.00
Public Works Economic Development Program	5,645.00
Work Incentive Program	1,538,640.00
Work Incentive Program — Project #9701	14,241.00
NAB Jobs	4,648.00
JOLTS	11,894.00
Bureau of Labor Statistics	7,943.00
Concentrated Employment Program	324,001.00
Total	\$22,000,901.00

The following table shows the operating expenditures for fiscal year 1968-69:

Category	FY:1969
Personal services	\$15,510,926.00
Personnel benefits	1,796,964.00
Supplies	228,771.00
Communications services	264,407.00
Travel	199,081.00
Printing and binding	6,360.00
Equipment — rent	734,189.00
Equipment — repair and alterations	29,044.00
Premises — rent	1,341,733.00
Premises — repair and alterations	22,515.00
Heat, light and water	114,617.00
Equipment purchases	141,781.00
Out-service training	39,505.00
WIN Contractual Services	1,023,306.00
Miscellaneous	547,702.00
Total	\$22,000,901.00

changes in the employment security law

July 1, 1968 — June 30, 1969

Effective August 6, 1968, Chapter 239 of the Acts of 1968 amends section 6 of Chapter 151A of the General Laws by adding Subsection (q) which excludes poll takers or opinion takers from those considered "employed" under Chapter 151A if the rate of such individual's remuneration is determined by a person other than the person supervising him; and if said individual is free to accept or decline any given assignment.

Effective October 7, 1968, Chapter 533 of the Acts of 1968 reinforces Subsection (e) of section 15 of Chapter 151A by directing that liens against delinquent employers be filed in the records of the county in which any property, real or personal, is situated. The amendment further provides that a certificate of lien be recorded with the clerk of the city or town where such personal property is situated.

Effective October 10, 1968, Chapter 576 of the Acts of 1968 amends Subsection (c) of section 24 of Chapter 151A by increasing, from two weeks to three, the period for which an individual remains eligible for unemployment benefits although illness or disability prevents him from accepting suitable work.

Chapter 480 of the Acts of 1967 amends Subsection (a) of section 29 as of October 13, 1968. Any individual whose benefit year begins on or after this date will have a maximum Weekly Benefit Rate of \$57. This rate does not include dependency allowances.

Effective October 14, 1968, Chapter 625 of the Acts of 1968 amends Subsection (c) of section 25 by reducing the maximum disqualification period, from five weeks to four, of an otherwise eligible individual who fails without good cause, to apply for suitable employment, in any week, when notified to do so by the employment office, or to accept suitable employment when offered to him.



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THE COMMONWEALTH OF MASSACHUSETTS
DIVISION OF EMPLOYMENT SECURITY

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THE COMMONWEALTH OF MASSACHUSETTS
DIVISION OF EMPLOYMENT SECURITY

THE COMMONWEALTH OF MASSACHUSETTS
DIVISION OF EMPLOYMENT SECURITY

ANNUAL REPORT
Fiscal Year ending June 30, 1970

John D. Crozier, Director

ADMINISTRATIVE PERSONNEL

ON JUNE 30, 1970

EXECUTIVE STAFF

Director

Herman V. LaMark

Deputy Director

Kenneth V. Minihan

Assistant Directors

John F. Doherty
Isaac F. Fine
Charles A. McCarthy
Max Nyer
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MASSACHUSETTS ECONOMY

The civilian work force in Massachusetts topped 2.6 million for the first time in the final month of fiscal year 1970. Nonagricultural wage and salary employment had hit a record high for each month of the fiscal year. Unemployment, however, had climbed to a count of 149,900, and a seasonally adjusted rate of 5.2 percent by June 1970. Manufacturing employment continued its downward trend.

Aerospace and defense-related employment released many executives and engineers who found that the sophisticated technology of the weaponry and aerospace industries was not readily adaptable to meeting consumer needs.

Cutbacks were also attributed to lower labor costs in other parts of the country and abroad, increased efficiency in production methods, and diminished consumer demand. Subsequently, payrolls were further curtailed to trim costs and bring production into line with recession-level demands.

The employment mix continued to shift from manufacturing activities to such areas as services, trade, transportation and utilities, and finance, insurance and real estate. The service industries added almost 17,000 jobs in fiscal year 1970, paced by the medical field where expansion has been substantial.

Complicating the unemployment picture was the understandable reluctance of many of the newly unemployed to consider work at substantially lower wages than those paid on their latest but now nonexistent jobs, or, in the case of those with little or no training or experience, to enter low skilled jobs at prevailing wages, when a "dead end" seemed involved. To sum up, the year closed in Massachusetts with more unemployment among recently-displaced highly-skilled personnel who had never or only rarely been unemployed previously. At the same time there was a considerable number of job openings either involving skills in short supply or having working conditions unattractive to available applicants.

Despite the economic recession which began to take form during this reporting period, the Fund balance registered its sixth consecutive increase, although much smaller than last year's gain. The Fund balance at the end of the fiscal year 1969-1970 stood at \$401,877,189.19, an increase of \$16.7 million compared with last year's gain of \$42.6 million. This situation was possible even with rising unemployment, since total employment continued to set new records.

EMPLOYMENT SERVICES 1970

The Employment Service Division directed its attention to those most in need of finding a spot in the employment structure suitable to their qualifications and potentialities. At the same time new emphasis was placed on the task of raising

the qualifications and potentialities of the ~~unemployable~~ those with little or no experience or training, those most in need of finding a spot in the employment structure suitable to their limited qualifications, particularly those on the lower rungs of the economic ladder. The Human Resources Development Program (HRD) had been designed to seek out and help just such individuals who require special employment service assistance in order to improve their employability. During fiscal 1970 more than 90,000 applicants were identified as meeting criteria for such specialized attention.

Special services to the handicapped covered the usual range of available services including counseling and testing, referral to training or other supportive services, job development and placement, and general promotion of the wider absorption of the handicapped by industry. The long-standing close-working relationships with the Massachusetts Rehabilitation Commission, Commission on the Blind, Commission on Employment of the Handicapped, Department of Mental Health, U.S. Veterans' Hospitals, U.S. Civil Service Commission and other public and private agencies concerned with service to handicapped people, were maintained and strengthened. As a result of these constant liaisons, the President's Committee for the Handicapped presented an Employers Merit Award to the Internal Revenue Service Center at Andover, Massachusetts. In addition two service center employees at Andover were nominated for national recognition in the Internal Revenue Service Handicap Program.

Recognizing the problems of readjustment facing veterans, the Federal government has instituted (through the MDTA Program) Project Transition, which is to be implemented by Employment Security Agencies throughout the country. Project Transition is designed to train armed forces personnel prior to their discharge. It is a voluntary program geared to provide the four basic needs of men leaving the service: counseling, skill enhancement, education, and job placement. The target group for this in-service training and education consists of those individuals who have from one to six months service remaining and who have expressed their intention not to reenlist. In most cases, when referral is made from the officer assigned to Project Transition at a particular base, the individual will have completed a questionnaire and received initial counseling. Some men may require both education and skill training. On the other hand, many servicemen will already have job skills and will need only job placement assistance. In Massachusetts, the first local employment office to institute Project Transition within its area of responsibility was the Fitchburg office, which services Fort Devens in Ayer. Arrangements have been made to provide the Fitchburg office with Labor Supply and Demand Summaries for each of the fifty states.

Final 1970 census tabulations by race show that the total nonwhite population in the United States has increased over the last decade. Since Massachusetts also shared in this gain, the Division stepped up its efforts to expand employment opportunities for minority groups by referrals to training programs and by the development of specific job openings to match individual applicant qualifications. Added emphasis was given towards compliance with civil rights and fair employment legislation. This was reflected in the ongoing training programs for Minority



Group Representatives stationed in local offices and by community participation activities held both in local offices and at the state level. Regular meetings of Minority Group Representatives have been held to foster interchange of ideas. Discussion of problems was stimulated by the use of films, workshops, panels, and like. Participating in these meetings were Employment Aides working to promote employment office services among the disadvantaged, as well as representatives of other agencies working with minority groups.

This was the seventh consecutive year in which the employment service planned, organized and conducted a statewide campaign, timed to coincide with the closing of schools for the summer, to promote the placement of youth. As in previous years, advance planning for the 1969 summer placement campaign season began in early April. After guidelines were established and disseminated to local offices, the public was informed of the program through promotional material in the mass media. Local office managers were instructed to request the assistance of local school officials and other organizations in the early registration of students for summer work.

During fiscal year 1970 the Division of Employment Security continued to provide a wide range of services to youth, especially to disadvantaged young people eligible for intensive service under the Human Resources Development Program. Nearly 98,000 youths registered for work at Division offices during this period. As a result, 31,500 youth placements were recorded during the fiscal year. This was a sizable decrease from last year's figure of 38,000, however, due to the general softening of the state's economy which seriously affected the employment prospects of young people.

Although the U.S. Department of Labor discontinued the Massachusetts Job Corps Centers, the Division of Employment Security continued to recruit and screen applicants throughout the state. During the period ending June 30, 1970, local offices and Youth Opportunity Centers referred 144 young men and women candidates to the regional Job Corps Center. Of this number 82 were actually enrolled and departed for various centers throughout the country. The lack of a Job Corps Center in New England seriously affected recruitment during the year, as many parents and disadvantaged young boys and girls objected to out-of-region trainings. The Division continued to meet its obligations to returning Job Corps graduates and trainees also, by placing a total of 102 of these young people in full time employment or further training programs during this period.

The Work Incentive Program (WIN) was an important and rapidly expanding service in fiscal year 1970. The goal of the WIN Program is to make it possible for some welfare recipients to become productive wage earners, rather than to remain committed to long-term maintenance. By fostering economic independence WIN hopes to remove many recipients from the welfare rolls and thus realize considerable savings.

The target group of this plan are those heads of families receiving funds under



the Aid to Families with Dependent Children Program (AFDC). WIN legislation makes it mandatory that fathers and male youth 16 and over of AFDC-aided families make themselves available for WIN Program services. Females, including those who are the head of the household, are encouraged to accept referrals, but on a voluntary basis.

In fiscal 1970, the Work Incentive Program had its budget increased to some \$6,379,000 for the year. This allowed training slot totals to increase from 3,000 to 4,950; and (in order to carry out these plans) provided sufficient funds to add 8 WIN teams, reaching a level of 27 teams in all. Operational totals mirrored substantial improvement. Of the 5,800 persons referred to WIN teams from Welfare Departments, more than 3,600 were enrolled in programs and almost 850 became employed after training. Over the year, 918 subcontracts for training became effective, nearly three times as many as in the preceding year.

Funds totaling \$5,811,000 were allocated to Massachusetts during fiscal year 1970 to maintain the projects operated under the auspices of the Manpower Development and Training Act. These programs were geared to provide institutional training to over 2,700 trainees. In addition, \$292,525 was funded for the training of 147 residents of the New Bedford and Gloucester areas which had been designated as Redevelopment Areas. Also launched in fiscal 1970 were training programs for 164 inmates at correctional institutions in Boston, Concord, and Plymouth. As the fiscal year ended, 63 training projects were active under MDTA, with 1,567 trainees enrolled. An additional 20 projects for 1,327 trainees had also been approved, but had not as yet started. During the entire year, 83 projects involving 2,070 trainees, had been completed, bringing to 719 the total of projects completed since this type of training began here. Through June 30, 1970, nearly 20,000 trainees had received MDTA training in Massachusetts.

In January, 1968, on direction from the White House, the Job Opportunities in the Business Sector (JOBS) Program was initiated under the auspices of the United States Department of Labor. The Secretary of Labor was instructed to coordinate a joint effort of the Department, and the National Alliance of Businessmen (NAB) to seek out, train and hire the hard-core unemployed.

Once the applicants are located, the training is done by NAB members under a Federal contract which reimburses them for any extraordinary expenses incurred in such training. The training is usually of the on-the-job type, which has been proven to be most successful in keeping people in jobs once supervision has ended. It also eliminates the placement problem.

The role of the Massachusetts Division of Employment Security in the program is to identify for NAB the disadvantaged unemployed and to recruit, test and refer those so identified to the proper program. The Division also solicits job openings from NAB members and offers technical assistance in developing the federal contracts which provide reimbursement.

Originally the NAB-JOBS Program was limited to the nation's 50 largest metropolitan areas, including Boston. In following years the number of cities was increased to 131, including Springfield, Worcester, Brockton and New Bedford. In fiscal 1970 the concept was expanded further by setting up a "State Team" in Massachusetts, comprising a Supervisor and five Contract Service Representatives to negotiate and draw up NABS-JOBS contracts in localities not covered by existing Metro-Area NAB organizations. After a brief period of training and "trial-runs" this team began operating in January 1970, and subsequently proved its worth as an operational entity. During the six months ending June 30, members of the team visited more than 100 employers to present and discuss the NAB-JOBS Program. In order to put forward the program on a broader basis, 17 Chambers of Commerce were contacted and speaking engagements were arranged at which from 20 to 60 local employers were present. Training in the Employment Service aspects of the Program, emphasizing selection and referral responsibilities was conducted for 20 local employment offices. By June 30, some seven contracts had been drawn up and awarded, involving 221 slots funded at a cost of \$554,000.

UNEMPLOYMENT INSURANCE ACTIVITIES

Due to a rising unemployment rate, the fund balance increase during fiscal 1970 was substantially less than in fiscal 1969, a \$25.9 million drop from \$42.6 million to \$16.7 million. Still, at \$401,877,189.19 on June 30, 1970, the fund balance had never been higher at the end of a fiscal year. Employer contributions for the current fiscal year, which were collected under Schedule A (lowest rates), were \$141,586,090.75. This resulted in a decrease of less than one percent from the previous year's contributions which were collected under the higher Schedule B rates for three of the four quarters. Increased employment and higher wages counterbalanced the reduction in collections caused by the drop to Schedule A rate levels.

Unemployment Insurance claims activity increased in fiscal year 1969-70 for the first time since fiscal year 1963-64. Initial claims increased to 485,979 from 415,530 in fiscal 1969-70; continued claims rose to 3,001,467 from last year's 2,444,478.

The average spell of unemployment continued to lengthen, with 6.2 weeks being the average duration (per initial claim) in fiscal year 1969-70. In recent years the averages were 5.9 weeks in fiscal 1968-69; 5.7 weeks in fiscal 1967-68; and 5.4 weeks in fiscal 1966-67. This is a rough index of the duration of weeks in each spell of insured unemployment, i.e., the ratio of continued claims to initial claims.

There were 2,616,984 checks disbursed during the fiscal year 1969-70. This amount was 474,318 or 22 percent more than the previous year. Benefit disbursements at



\$122,975,647.90 (Net) were 30.4 percent higher than the year-earlier figure of \$94,298,897.29. The rise of both categories reflects the unemployment resulting from the business slowdown. That disbursements rose proportionately higher than checks (30.4 percent to 22 percent) is due to the increase in the maximum benefit rate in October 1969 to \$62, a \$5 increment. Higher base year earnings by claimants also caused the amount of benefits paid to rise. These same factors caused the average weekly benefit check for total unemployment to increase by \$2.93, to \$50.05 from \$47.12 and for partial unemployment, to rise by \$3.24, to \$27.70 from \$24.46. Benefit exhausts rose to 35,094 from 34,311 in the preceding year, an increase of 2.3 percent.

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THE COMMONWEALTH OF MASSACHUSETTS
DIVISION OF EMPLOYMENT SECURITY



THE COMMONWEALTH OF MASSACHUSETTS
DIVISION OF EMPLOYMENT SECURITY

ANNUAL REPORT
Fiscal Year ending June 30, 1971

John D. Crosier, Director

ADMINISTRATIVE PERSONNEL

ON JUNE 30, 1971

EXECUTIVE STAFF

Director

Herman V. LaMark

Deputy Director

Kenneth V. Minihan

Assistant Directors

John F. Doherty
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MASSACHUSETTS YEAR IN REVIEW

The economic recession which began in 1970 continued to plague the Massachusetts economy throughout fiscal year 1971. By June, 1971, employment had dropped to 2,173,100 workers, the lowest amount for a June since 1968. At the same time, unemployment climbed to 213,300, the highest since 1940. Growth in nonmanufacturing employment, which offset much of the decline in manufacturing jobs during the 1960's experienced the smallest gain in over 10 years, with the increases in employment occurring in contract construction, the service industries, and in state and local government.

Many of the largest manufacturing employers in the electrical and nonelectrical machinery and the transportation equipment industries made substantial reductions in job rolls. Chronically ailing industries such as leather and leather products experienced more plant closings and layoffs. The unemployment of many professional, technical and aerospace personnel created serious new problems. Unemployment among blue-collared workers, which was at a record high level for the decade, in turn forced many highly skilled people to compete for lower grade jobs.

To help these recently unemployed technical and professional people, a new office, the Professional Service Center, was opened in January, 1971, along Route 128, where an estimated 10,000 workers in these two job categories had been displaced. The Division of Employment Security also set up and administered the Technology, Mobilization, and Reemployment Program, a national program which was introduced on April 1, 1971, and was designed to meet the manpower needs of displaced engineers, scientists and technicians. To meet the manpower requirements of other unemployed persons during this period, a new on-the-job training program, the Jobs Optional Program, was also established by the Division during the year.

EMPLOYMENT SERVICES

Due to the rise in unemployment and the consequently larger demand for services, the Division of Employment Security enlarged its workforce during fiscal 1971 by over 20 percent. The number of personnel increased to 3,340 workers, a rise of 603 above the previous year. To achieve this increase, the Division took the opportunity to rehire former certified temporary workers. This eliminated the need for Civil Service Certification on many openings and supplied the Division with workers who had prior experience.

Fiscal 1971 saw the start of Job Bank, a new computerized system for publishing job order listings throughout the Division. The "Employment Office on Wheels" was also utilized during the year to service employers and job applicants. The mobile office was positioned in selected areas (such as the Boston Navy Yard where employees were facing mass layoffs) for the recruitment and registration of job applicants.

The Division continued to provide specialized services to the handicapped including counseling, testing, referral to training and other supportive services, placement, job development, and intensive promotional activities to gain wider



acceptance of the handicapped by employers. Amon, the tasks begun was the formation of an interdepartmental coordination committee with the Bureau of Mental Retardation to plan new guidelines and proposed objectives to aid the mentally retarded find gainful employment.

Emphasis was also placed on providing services to older workers, who were experiencing particular difficulty in obtaining suitable employment. The local offices maintained close relationships with self-help groups in their respective areas, and many offices cooperated with officials of Senior Aide programs by providing part-time employment in the offices for older workers.

With the winding down of American participation in the Vietnam War, the number of servicemen released from the Armed Forces and eligible for the Division's services greatly increased during fiscal 1971. The Division contacted all veterans who were separated from active duty and planned to reside in the Commonwealth. As part of the Presidential "Jobs for Veterans" program, seven new positions were created in the Boston SMSA for the sole purpose of aiding veterans. The Division, through its Fitchburg office, operated MDTA courses for training in many desirable occupations to servicemen at Fort Devens.

The Bonding Program, which as a pilot program had been restricted to the Boston SMSA, began operations on a statewide basis in March, 1971. This program offers fidelity bonding coverage to qualified job applicants who cannot otherwise obtain it, and was implemented by all local offices.

The Minority Groups Services Division is responsible for planning and developing special techniques in the delivery of manpower services to minority group members. Regular meetings were held throughout the year for all Minority Group Representatives and Employment Aides so that they could bring back to their local offices knowledge of better methods of servicing minority group applicants. In order to recruit more minority group people for the Division itself, in March, 1971, a civil service examination for Employment Aide was given in both Spanish and English.

A proposal for a pilot Employability Assistance Program for Ex-Offenders was submitted in August, 1970, and this project, one of five nationwide, was funded in March, 1971, by the Department of Labor. Operations began on May 1, 1971, with a statewide staff of thirty-nine people. Employability Teams were put in D.E.S. offices in major urban areas. These Teams are made up of an employment counselor, an opportunity developer (jobs and training) and a community worker.

During fiscal year 1971, Employment Offices and Youth Opportunity Centers referred 140 young men and women to the Job Corps. Some 95 young people were enrolled and departed for various centers throughout the country. The Division had the sole responsibility for aiding corpsmen who had completed their training in finding suitable employment, and during the year some 56 returned corpsmen were so placed. Some 62 others who needed more training to realize their vocational goals were enrolled in training programs such as the Manpower Development and Training Act Programs.



A total of 80,631 youths registered for placement services at the various statewide employment offices. The 16,935 of these youths who were "disadvantaged" qualified for intensive employability services under the Human Resources Development Program. The Division placed 10,713 youths during fiscal 1971, one out of five of these, or 2,685, were disadvantaged. As it has in the past, the National Alliance of Businessmen in Boston played an important role in co-ordinating activities for placement of youths in the Greater Boston area. The combined efforts of the Division and the National Alliance of Businessmen no doubt contributed to the fact that despite the sad state of the Commonwealth's economy the number of placements did not decline to the level that had been anticipated.

In an effort to service an ever increasing A.F.D.C. population, WIN expanded its services during fiscal 1971, increasing its slot level from 4,950 to 5,050 and its team strength from 27 to 39 full or partial teams. During the fiscal year, local welfare offices made 9,221 referrals, 5,845 of which were enrolled. Of those enrolled, 3,168 entered WIN funded training and 607 entered non-WIN funded training. Terminations for good cause numbered 2,470, approximately 28 percent of the enrollment, while dropouts numbered 846 or 10 percent. Of those who entered the program, 590, about 6.7 percent, completed their employability plan. By discounting the terminations for good cause and dropouts, the percentage of those who completed their employability plans becomes approximately 11 percent. Lack of child care facilities, especially adequate after-school day care, continued to plague the WIN program and was a major cause of people leaving the program. The WIN and Welfare administrative staffs are working towards resolving this complex problem. WIN's approved budget for fiscal 1971 was \$6,320,187, of which the Federal share was \$5,056,148

During fiscal 1971, \$6380,590 was spent in Massachusetts under the MDTA program, most of it to provide institutional training. Training was funded in health-related and clerical occupations, and courses were offered in homemaking, cooking, and machine operations. Additionally, 222 individual referrals to training were approved to allow trainees to enter occupations in which the Commonwealth did not offer specific MDTA courses.

An outgrowth of the MDTA program was the JOBS-70 program, which was geared to hiring, training and retraining of the "disadvantaged hard-core unemployed". This program, "Job Opportunities in the Business Sector" (JOBS) is a "High Support" program which reimbursed the employer for the costs involved in O.J.T., counseling, transportation expenses, medical expenses, sensitivity training, and child care, for all trainees. Another new program, The "Jobs Optional Program" (JOPS), reimbursed the employer one-half of the employee's starting wage for a specified number of weeks, based upon the skill required to perform the job. The hiring policy under the JOPS Program requires that 50 percent of those hired be from among the disadvantaged while the employer may recruit the remaining 50 percent as he chooses. JOPS is considered a "Low Support" program, and during fiscal year 1971 the Division executed 250 O.J.T. contracts resulting in 400 training slots.

The Supplemental Training and Employment Program (STEP) had its inception in July, 1970. This program is completely funded by the Federal Department of Labor and is to provide short-term work experience to persons who had already had training, but because of economic conditions had been laid off from, or could not find, gainful employment. STEP participants enrolled in this program perform work for public agencies or non-profit private organizations. Enrollment is for an initial thirteen week period with recycling for another 13 weeks possible if the situation warrants it. In no event may a STEP participant be enrolled for a period exceeding twenty-six weeks. By all reports, STEP workers have more than measured up to the expectations of employers, and many were retained on a permanent basis.

UNEMPLOYMENT INSURANCE ACTIVITIES

The full impact of the economic recession made itself felt during this reporting period. A six-year trend of annual fund balance increases was reversed as the balance sank more than 25 percent during the past twelve months. At the end of fiscal 1971 the fund balance stood at \$288,423,714.24, a decrease of \$113.5 million, as opposed to last year's gain of \$16.7 million. A massive increase in benefit payments was the major factor contributing to the turn around.

Employer contributions for the current year, which were collected under schedule A (the lowest rate schedule), were \$119,022,766.20. This was a decrease of \$2.6 million from the amount of fiscal 1970's contributions which were also collected under schedule A. Most of the decrease can be attributed to lay-offs by employers in an attempt to cut payrolls during the recession. Cutting payrolls reduced the amount of wages subject to the Employment Security tax.

Benefit payments paid to unemployed workers during fiscal year 1971 amounted to \$248,729,146.88 (net), an increase of \$125,753,498.78 or more than 100 percent over the previous year's payments of \$122,975,647.90. The growing number of claims and their increased duration, both of which can be directly attributed to the economic slowdown, are the major factors contributing to the increase. Another factor in the increase of benefit payments was a change in Chapter 151A of the Employment Security Law raising the percentage of the claimants' average weekly wage during the base period on which his unemployment benefits will be based from fifty percent to fifty-two and one half percent of the average weekly wage of all covered employees. Also, in October of 1970 the maximum benefit rate was increased \$7 to \$69.

In October 1970, a program which extended unemployment benefits to those who had exhausted regular benefits was initiated. This program, the Triggered Extended Benefits Program (TRES) was financed with money provided one-half from Federal funds and one-half from the Commonwealth's Unemployment Insurance Fund.

1971Administration:Expenditures

\$33,644,166.79

Employment, Unemployment and Wages:

Average Total Labor Force

2,463,900.

Average Total Employment

2,315,300.

Average Manufacturing Employment

613,111.

Average Total Unemployment

148,550.

Average Weekly Earnings of Covered
Employees

\$ 141.55

Average Weekly Earnings of Production
Workers in Manufacturing

\$ 129.87

Unemployment Compensation

Initial

613,368.

Continued Claims

4,932,818.

Exhausts

76,970.

All Net Benefits Paid (includes
Total and Partial Benefits
paid by the State)

\$248,729,146.68

Average Number of Covered
Employers at Year's End

107,107.

Average Number of Covered
Employees at Year's End

1,695,781.

Total Taxable Wages

\$6,156,060,131.

Total Wages paid by Covered
Employers

\$12,481,947,790

Employment Service Activities

New Applicants	<u>1971</u>
	267,445*
Individuals Referred to Jobs	89,089
Individuals Counseled	36,117
Individuals Enrolled in Training	8,600
Individuals Placed in Employment:	
Total:	31,486
Sex: Male	19,079
Female	12,407
Age: Under 22	10,713
22 - 44	16,248
45 and over	4,525
Highest School Grade Completed:	
Less than High School	13,520
High School or Above	17,966
Ethnic Groups:	
White	27,685
Negro	3,049
American Indian	44
Oriental	58
Spanish Surname	1,397
Veterans:	
Total	5,949
Vietnam Era Veterans	1,053
Handicapped:	2,080

* The Division changed to the ESARS system during fiscal 1971, and all claimants on file at the changeover were considered "new applicants".

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THE COMMONWEALTH OF MASSACHUSETTS
DIVISION OF EMPLOYMENT SECURITY

THE COMMONWEALTH OF MASSACHUSETTS
DIVISION OF EMPLOYMENT SECURITY

ANNUAL REPORT
Fiscal Year ending June 30, 1972

John D. Crosier, Director

ADMINISTRATIVE PERSONNEL

ON JUNE 30, 1972

EXECUTIVE STAFF

Director

Richard C. Gilliland

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Edward T. Sullivan

MASSACHUSETTS YEAR IN REVIEW

In Massachusetts the recession continued to deepen during fiscal 1972 with the number unemployed in every month exceeding the figure for the previous year. By April 1972, the jobless rate had soared to 7.8 percent of the workforce, the highest level in recent times. However, April 1972 also marked a turnabout in employment with the number of jobholders at 2,447,300 surpassing the year-ago level for the first time since June 1970. Although factory payrolls continued to lag somewhat, the unchecked flow of new workers into the labor market and a considerable expansion in nonmanufacturing payrolls crystallized into a slight upward trend in the work force.

The Division of Employment Security continued to mount a broad attack on unemployment and poverty. However, the problem became more complex with the addition to the ranks of the unemployed of an army of scientists, engineers and technicians displaced by federal defense and aerospace budget cutbacks. The resources of both the Division of Employment Security and industry were mobilized at the newly founded Route 128 Professional Service Center to cater to the need of this new breed of unemployed. Curtailment of the Vietnam War also brought a flood of veterans requiring employment-related assistance. New federal laws placed a greater share of responsibility in the employability of welfare recipients on the Division of Employment Security. Long-term unemployment triggered extended benefits programs kept thousands of jobless persons off welfare rolls.

EMPLOYMENT SERVICES

Budgetary restraints and a hiring freeze forced the Division of Employment Security to meet growing demands for service with a staff whose numbers were steadily decreasing. While not entirely successful, the Division strove to minimize the impact of the hiring freeze and budget cuts on the local offices. Priority was given to the WIN program, whose staff level was increased, while the local offices in almost every case experienced reductions in staff.

The installation of a new category, "Specialist for Services to the Handicapped" in each local office was a major accomplishment during fiscal 1972. Each local office now has such a specialist and a designated alternate, both of whom have received training by the Selected Applicant Groups Division.

During the year, through arrangements with the Department of Defense and the Veterans Employment Service, the Division of Employment Security received notification of 12,113 veterans who were separated from active duty and planned to reside in the Commonwealth. These veterans were contacted and informed of services and benefits available through the Division. Also, the D.E.S. was involved in Project Transition at Fort Devens and at Hanscom Field, while the Veterans Services Division participated in Job Marts at Boston, Worcester, New Bedford, Lowell and Fort Devens. Emphasis was also given to providing better services to the Commonwealth's minority communities. Towards that end, conferences were held with heads of Black agencies to improve what is already a good working relationship. A new

staff member was appointed to provide guidance to the local offices on any problems pertaining to training and employment that effected the Puerto Rican or other Spanish-speaking applicant.

The Model Ex-Offender Program attempted throughout the year to bring the offender segment of society in contact with existing jobs and manpower training programs. The Massachusetts plan called for the development of a manpower delivery system to provide employability services to offenders. The basic component of this system was twelve three-man teams, each consisting of specialists in counseling, opportunity development, and community resources, which were to assist the offenders individually. A total of 3,932 individuals were serviced under the Ex-Offender Program, of whom only 92, or 2.3 percent, had their cases inactivated because the offender returned to jail.

In fiscal year 1972 almost 87,000 youths, of whom 19,267 were "disadvantaged", registered for placement services at the various state-wide employment offices. Some 16,947 youths were placed by the Division, of whom nearly 3,000 were disadvantaged. The Summer Youth Placement drive for the summer of 1971 reflected a notable increase over that of 1970. However, employment prospects for youths, who are largely untrained, were hampered by the Commonwealth's high rate of unemployment, with thousands of skilled and semi-skilled workers currently jobless.

The WIN program expanded its services during the year under discussion due to an increased number of A.F.D.C. recipients referred to the Division by the Welfare Department. Total enrollment numbered 9,752, of whom 1,306 completed their employability plan during the year. Total costs for the programs were \$8,738,000 of which the Federal share (80 percent) was \$6,990,405. The sum of \$5,660,102 was spent under the Manpower Development and Training Act program with \$62,834 allocated for Subsistence Allowances, and \$317,643 for Transportation Allowances. During the preceding fiscal year a sum of \$6,380,590 had been spent on MDTA, including \$9,117 for Subsistence Allowances and \$476,925 for Transportation Allowances.

UNEMPLOYMENT INSURANCE ACTIVITIES

During fiscal 1972, the number of employees covered by the Commonwealth's Employment Security Law increased by nearly five percent, from 1,695,781 workers to 1,776,971. The Average Weekly Earnings of Covered Employees increased by nearly \$10, thus necessitating an increase in the maximum Benefit Rate to \$74 on October 1, 1971. Therefore, even though the number of initial and continued claims was lower than in fiscal 1971, net benefits paid increased from \$248,729,146.68 to \$271,093,007.41.

Many of those collecting unemployment benefits were workers who were last employed in well-paying research, technical and electrical industries. These persons were often eligible for maximum benefits. As many of these displaced workers were highly skilled, they were reluctant to accept employment at wages substantially lower than those to which they were accustomed, and were willing to wait for a job at which they could utilize their skills rather than take work they considered unattractive. As there were comparatively few jobs created during fiscal 1972 which required their talents, many of these workers collected unemployment benefits for extended time periods. This problem was reflected in the 17.9 percent increase in the number of claimants who exhausted their benefits during fiscal 1972 compared with the previous year, a jump of 13,753 from 76,970 to 90,723.

To meet this need, four separate Federal and/or state programs were in effect or authorized during fiscal 1972 to give additional benefits to those unemployed who had used up all their benefits authorized under regular programs. The Joint Federal/State Triggered Extended Benefits program (JREX) went into effect in October, 1970, and had a cut-off date of June 26, 1972. As so many workers in Massachusetts were exhausting their TREX benefits as well as their regular benefits, a fully State-funded program, Additional Benefits (AB), went into effect on September 19, 1971 with the provision that it would cut-off if the Federal Government began a similar program. The Federal Government did so on January 30, 1972, with the Emergency Unemployment Compensation Program (EUC). Because so many workers were exhausting all these benefits, the Massachusetts General Court authorized yet another program, Emergency State Supplemental Unemployment Benefits (ESSUB), to become effective on June 26, 1972. However due to a further extension of the Federal coverage, no benefits were paid under the ESSUB program until August, 1972, so the program did not affect the fund monetarily during fiscal 1972.

The General Court also amended the Employment Security Law so that effective January 1, 1972 certain "non-profit" private and public employers became subject to the Employment Security Law, and their ex-employees were eligible to collect under Chapter 151A. These non-profit employers could elect either the "contributory" (i.e. taxable) or "reimbursable" method of payment into the Employment Security Fund.

A three year comparison of Fund Activities follows:

Fiscal Year	Contributions	Interest	Net Benefits Paid U.I.
1970	\$121,586,090.75	\$18,014,049.22	\$122,975,647.90
1971	119,022,766.20	19,623,836.21	238,862,184.68
1972	166,846,732.62	12,342,864.52	245,865,414.92

Fiscal Year	Net State Share of Extended Benefits	Total Net Benefits Paid	Year-End Fund Balance
1970	--	\$122,975,647.90	\$401,877,189.19
1971	\$ 9,866,962.00	248,729,146.68	288,423,714.24
1972	25,227,592.49	271,093,007.41	176,099,149.12

DATA SUMMARY

	<u>1972</u>	<u>1971</u>
<u>Administration:</u>		
Expenditures	\$38,135,335.71	\$33,644,166.79
<u>Employment, Unemployment and Wages:</u>		
Average Total Labor Force	2,470,900	2,463,900
Average Total Employment	2,307,100	2,315,300
Average Manufacturing Employment	593,825	613,111
Average Total Unemployment	163,800	148,550
Average Weekly Earnings of Covered Employees	\$151.47	\$141.55
Average Weekly Earnings of Production Workers in Manufacturing	\$140.49	\$129.87
<u>Unemployment Compensation</u>		
Initial Claims	561,620	613,368
Continued Claims	4,715,979	4,932,818
Exhausts	90,723	76,970
All Net Benefits Paid (Includes Total and Partial Benefits paid by the State)	\$271,093,007.41	\$248,729,146.68
Average Number of Covered Employers at Year's End	108,814	107,107
Average Number of Covered Employees at Year's End	1,776,971	1,695,781
Total Taxable Wages	\$6,713,757,399	\$6,156,060,131
Total Wages paid by Covered Employers	\$13,996,140,140	\$12,481,947,790

Employment Service Activities

	<u>1972</u>	<u>1971</u>
New Applicants	132,605	267,445*
Individuals Referred to Jobs	109,479	89,089
Individuals Counseled	23,509	36,117
Individuals Enrolled in Training	2,675	8,600
Individuals Placed in Employment: Total:	40,410	31,486
Sex: Male	25,567	19,079
Female	14,843	12,407
Age: Under 22	15,050	10,713
22 - 44	20,262	16,248
45 and over	5,098	4,525
Highest School Grade Completed:		
Less than High School	16,896	13,520
High School or Above	23,514	17,966
Ethnic Groups:		
White	35,049	27,685
Negro	4,382	3,049
American Indian	46	44
Oriental	89	58
Spanish Surname	1,866	1,397
Veterans:		
Total	9,366	5,949
Vietnam Era Veterans	5,502	1,053
Handicapped:	2,997	2,080

* The Division changed to the ESARS system during fiscal 1971, and all claimants on file at the changeover were considered "new applicants".

THE COMMONWEALTH OF MASSACHUSETTS
DIVISION OF EMPLOYMENT SECURITY

ANNUAL REPORT
Fiscal Year Ending June 30, 1973

John D. Crosier, Director

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ON JUNE 30, 1973

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MASSACHUSETTS YEAR IN REVIEW

Fiscal year 1973 was the beginning of some recovery in Massachusetts from the recession which had bottomed out nationally in November 1970. Non-agricultural employment rose by 52,200 from an average of 2,260,800 in fiscal 1972. Manufacturing industries reversed their long-term downward trend and accounted for 22.6 percent of the gain, amounting to 11,800 additional jobs. The state's recovery lagged when compared with the nation's because of its heavy involvement in aerospace and defense activities and the long continuing decline in soft goods industries. The state's unemployment rate was nearly two percentage points above the nation's at the end of the fiscal year.

In fiscal 1973, growth in the hard goods industries such as machinery, metals, instruments and ordnance can be attributed to

1. The successful conversion by many firms to nondefense products (frequently 30 to 40 new items a month, statewide).
2. The booming demand for capital goods and consumer durables which started in fiscal 1973.
3. The sudden influx of new defense contracts.

At the same time, employment in traditionally declining soft goods industries such as textiles and apparel began to stabilize, and even posted some gains in job rolls. The improvement was largely due to self-imposed quotas set by foreign competing countries coupled with a worldwide shortage of wool and cotton which created an increased demand for American man-made fibers.

All nonmanufacturing industries made considerable gains in employment in fiscal 1973 except the Federal Government which adhered firmly to its austerity program.

Unemployment dropped slightly from an average of 163,800 (6.6 percent of the State labor force) in fiscal 1972 to 161,000 (6.4 percent) in fiscal 1973. The high mark of joblessness in the early 1970's was in June 1971 when 192,000 individuals (7.7 percent of the labor force) were estimated as unemployed under the Federal formula. Manufacturing added nearly 21,000 and nonmanufacturing 30,000 to payrolls in the next 12 months, but the large numbers of individuals entering the labor force kept unemployment at a high level in June 1973 - 198,800 or 7.5 percent.

Economic growth in this period was therefore not enough to absorb all the new entrants, returning Vietnam veterans, former Federal employees, and the disadvantaged who were being brought into the labor force by manpower programs. As a result, unemployment remained at an unacceptably high level throughout fiscal 1973.

A combination of long-term unemployment problems that had to be dealt with and a reduced staff with which to deal with them caused the Division of Employment Security to make a more realistic evaluation of employment opportunities at local levels, gearing training programs to present and project occupational needs and avoiding duplication of services. The Division reemphasized its basic labor exchange function of matching people and jobs with the aid of computerized Job Banks.

A reduction in Federal funding forced a cutback in new hires resulting in a reduction of 366 personnel in the Division's staffing during fiscal 1973. Of the 2,926 employees of the Division at year's end, 1,871 were female and 1,055 male, 2,120 had permanent Civil Service status, 491 had temporary Civil Service status and 315 were provisional with no status. Employment under the federally funded Emergency Employment Act went from 55 at the fiscal year's start to 22 at the year's end. The Director appointed two new Deputy Directors on September 5, 1972, one appointment being made under the Federal-State Personnel Mobility Program.

EMPLOYMENT SERVICES

The Employment Service in fiscal year 1973 took new directions to deal with shifting priorities and policies at the Federal level. Not only theneds of disadvantaged job applicants but those of employers were now to be considered so that the Employment Services throughout the country could begin to reverse the dismal record of placements of the past few years. The response to these new Federal guidelines was Division-wide and multiphased, some innovations were tried but there was resort also to proven methods, all of which reflected a clear reorientation of priorities.

Employer servicing changed greatly. District Employer Service Representative Coordinators were established to better coordinate services to the employers within the various districts, and District Employer Information Centers and employer central files were planned. Along with these steps, a new cooperative agreement was implemented between the Division of Employment Security and the Commerce and Development Department, to the mutual benefit of both agencies and the employers they are trying to serve. New job development training was provided to all Employer Service Representatives and to some Special Program Job Developers.

Another innovation was the Division's shift of Job Bank from a service bureau to a totally in-house operated system, covering the full range of services including key-punching, computer services, microfiche production and a special courier service. This shift eliminated one middleman in the processing of Job Orders and provided better service to the employers as well as providing a faster, more efficient and sophisticated system.

At the start of the year, statewide printouts of subject employers were sent monthly to each Job Bank and Employer Service Representative Coordinator, but these were cumbersome and made serving employers from a specific area difficult. Printouts, breaking the employers out by district, are now sent at bi-monthly intervals with sufficient copies so that each local office receives one.

The year-end summary showed that 19,853 job openings subject to Mandatory Listings were received, 1,141 of which were from Federal agencies. Nearly 20 percent (3,889) of these job openings, were filled. The enactment of Public Law 92-540 and the resultant regulations of the Secretary of Labor lowering the dollar amount of Federal contracts which are subject to the mandatory job listing by successful bidders, increased the number of openings received and filled from subject employers.

Training given to Specialists for Services to the Handicapped, and technical assistance, training and monitoring given to the local offices, helped to provide more comprehensive and specialized services to the handicapped. In addition, intensive promotional activities were utilized in order to gain wider acceptance of the handicapped by employers.

Due to efforts of the Selected Applicant Groups Division there was a significant increase in the number of employers interested in hiring older workers. There was continuous participation in meetings and conferences with officials and organizations such as the City of Boston Older Worker Commission, officials from Project Retain, representatives from the Massachusetts Commission on Elder Affairs and the National Council on the Aging.

During the year, Public Law 92-540, the Vietnam Era Veterans Readjustment Act of 1972, became effective. Under this law the Veterans Services Division implemented programs to provide service to all veterans--with priority on services to disabled and Vietnam Era Veterans. Local offices were assisted in setting of Plan-of-Service goals for intake, placement and training of all veterans, Vietnam Era Veterans and disabled veterans in order to evaluate accomplishments. The Division of Employment Security cooperated with the Federal Aviation Administration in recruiting eligible veterans with emphasis on minority group and women veterans for the position of air traffic controller. Over 280 eligible veterans were located and contacted by the Division.

Each local office was advised and furnished with a copy of the Massachusetts Commission Against Discrimination's opinion relative to the acceptance, for listing in the Job Bank System, of Affirmative Action job orders. The MCAD's opinion was that no employer would be in violation of Federal and/or State Statutes for requesting referral of minorities only for prospective job openings provided that this is done solely for the purpose of assisting the employer to be in compliance with a Federal or State Affirmative Action Plan. Several meetings were held during the year for Minority Groups Representatives and Employment Aides concerning the employment problems, including discriminations, which confront members of the minority groups and women.

The assignment of Law Offender Services (LOS) teams has been based on community needs. During fiscal year 1973 LOS teams served a total of eight state institutions and two pre-release centers. Employment assistance was also provided to inmates of six county institutions and five halfway houses on a regular basis. Teams assisted inmates to find work-release, as well as post-release jobs, and helped to develop special resources like the Job Information Service Center at Concord. Most of the activities of the LOS teams pertain to employment services, helping clients to get and hold jobs as part of the rehabilitation process. Attention is also given to developing educational and training opportunities for offenders and ex-offenders.

The Division of Employment Security continued recruitment and screening of Job Corps applicants throughout the State despite the lack of Federal program funding. During the period July 1, 1972 to June 30, 1973, some 70 young men and women were referred to the Boston Regional Office for Job Corps, of whom 47 were actually enrolled and sent to various job corps centers. The Division continued to meet its obligations to returning graduates and trainees by placing a total of 51 of these young people in full-time employment, and by enrolling 37 others in further training programs during this period.

During fiscal year 1973, a total of 119,773 youths registered for work at various employment offices throughout the State. These offices reported that they made 18,164 youth placements during the year, of which 36 percent were minority youth placements. Local offices provided assistance to 153 local schools; 1,326 high school seniors needing occupational direction and assistance were registered for work by the Division. Under the Cooperative School Program, 538 high school dropouts and potential dropouts were registered for work. Follow-up activities revealed that 29.3 percent were placed in permanent jobs and 12.2 percent were placed in part-time employment, enabling them to continue school. An additional 1,913 youths were referred to training programs such as Job Corps, Neighborhood Youth Corps, MDTA, etc.

As a result of the various amendments to the Social Security Act effective during fiscal year 1973, the WIN program was much more effective in achieving its objectives, which were to remove people from the welfare rolls by helping them to become self-supporting employees in the regular economy. In the past, participation was voluntary; in fiscal 1973 it became mandatory that every able-bodied adult and child age 16 or over, must register in the WIN program as a condition of eligibility for AFDC, except those that were specifically exempted by law. An incentive was offered to employers in the form of a tax credit which resulted in a substantial increase in WIN/JOPS (OJT) contracts, with a total enrollment of 577. Additionally, 573 more AFDC people were hired either by direct placement or as a result of training programs, for a total of 1,150 tax credits certified for fiscal 1973. WIN placements for fiscal year 1973 totalled 3,274. Of the number placed, 624 were removed completely from the welfare rolls, and 514 had their welfare grants reduced due to earnings from employment. This resulted in cash savings to the Department of Public Welfare in the amount of \$5,321,820.

UNEMPLOYMENT INSURANCE ACTIVITIES

The number of employees covered by the Commonwealth's Employment Security Law increased by over eight percent during the course of fiscal 1973, from 1,776,971 to 1,927,526. Part of the increase was due to changes in the Law which brought under coverage employees of nonprofit institutions and of state hospitals and institutions of higher education. Part was due to an improving economy in Massachusetts. Average weekly earnings of covered employees increased by \$9 and the maximum benefit rate increased from \$74 to \$83 on October 1, 1972.

The amount of net benefits paid under regular state programs was lower in fiscal 1973 than in fiscal 1972 - \$236,584,000 as compared with \$247,560,000. Three different programs of extended benefits were in effect in fiscal 1972 and three in fiscal 1973 - the Federal-State Extended and the Emergency Unemployment Compensation programs at some time in both years, the state-financed Additional Benefit Program in

fiscal 1972 and the state-financed Emergency State Supplementary Unemployment Benefit program in fiscal 1973. The Trust Fund available to pay benefits increased from \$183,033,000 on June 30, 1972 to \$207,102,000 a year later. Collections and interest rose from \$177,242,000 to \$256,566,000 in this year due to the increase in taxable wages from \$3,600 to \$4,200 in 1972, to higher employment and wages and to a higher average contribution rate.

While the economic situation did noticeably improve during the year, the employment recovery was sluggish. This lag in the economy was reflected in the number of claimants who exhausted their regular UI benefits. At 86,935, the number of exhausts, while down from fiscal 1972's total of 90,723, was still unacceptably high.

As noted above, a number of Federal and/or State programs were initiated during fiscal 1972 to deal with the long-term unemployment problem of which two were continued in fiscal 1973. The Emergency State Supplemental Unemployment Benefits program (ESSUB) was to have become effective on June 26, 1972; however, due to an extension of coverage under a Federal program no benefits were paid under the ESSUB program until August 1972 and the last claims under the ESSUB program were filed during November 1972. The Federal Emergency Unemployment Compensation Program (EUC) which originally ran until September of 1972, was revived during December of 1972 and continued claims could run until March of 1973. Finally, the Triggered Extended Benefit Program (TRES) which is financed equally by Federal and State funds and which was in effect from October 1970 to June of 1972, came into effect again on October 29, 1972, and was still active at the end of fiscal 1973.

DATA SUMMARY

	<u>1973</u>	<u>1972</u>
<u>Administration</u>		
Expenditures	\$34,867,756.89	\$38,135,335.71
<u>Employment, Unemployment and Wages</u>		
Average Total Labor Force	2,515,900	2,463,300
Average Total Employment	2,354,800	2,299,500
Average Manufacturing Employment	608,800	597,000
Average Total Unemployment	161,000	163,800
*Average Weekly Earnings of Covered Employees	\$156.60	\$151.47
*Average Weekly Earnings of Covered Workers in Manufacturing Industries	\$175.17	\$140.49
<u>Unemployment Compensation</u>		
Initial Claims	499,835	561,620
Continued Weeks Claimed	4,287,035	4,715,979
Exhausts	86,935	90,723
All Benefits Paid (Includes Total and Partial Benefits paid by the State)	\$ 236,584,000	\$ 247,560,000
Number of Contributory Covered Employers at Year's End	110,237	108,814
*Average Number of Covered Employees at Year's End	1,773,550	1,814,945
Total Taxable Wages	\$ 7,381,602,180	\$ 6,713,757,399
*Total Wages paid by Covered Employers	\$14,497,885,153	\$13,996,140,140

*Excluding Reimbursables.

Employment Service Activities

	<u>1973</u>	<u>1972</u>
New Applicants	268,338	132,605
Individuals Referred to Jobs	124,145	109,479
Individuals Counseled	45,954	23,509
Individuals Enrolled in Training	6,353	2,675
Individuals Placed in Employment-		
Total	47,356	40,410
Sex - Male	29,515	25,567
Female	17,841	14,843
Age - Under 22	18,164	15,050
22 - 44	23,163	20,262
45 and over	6,029	5,098
Highest School Grade Completed-		
Less than High School	20,659	16,896
High School or Above	26,697	23,514
Ethnic Groups-		
White	41,646	35,049
Negro	4,530	4,382
American Indian	37	46
Oriental	316	89
Spanish Surname	1,924	1,866
Veterans-		
Total	10,008	9,366
Vietnam Era Veterans	6,034	5,502
Handicapped	3,907	2,997

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THE COMMONWEALTH OF MASSACHUSETTS
DIVISION OF EMPLOYMENT SECURITY

THE COMMONWEALTH OF MASSACHUSETTS
DIVISION OF EMPLOYMENT SECURITY

ANNUAL REPORT
Fiscal Year Ending June 30, 1974

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ON JUNE 30, 1974

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Regional Directors

Joseph L. Walsh, Boston
Nicholas Boratgis, Metropolitan
M. Rita Gagnon, Northeast
John Murphy, Southeast
Daniel Casale, Central
Robert E. Gould, Western

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Edward T. Sullivan

MASSACHUSETTS YEAR IN REVIEW

During the first quarter of fiscal 1974, it appeared that Massachusetts was beginning to recover economically from the recession and that her long-term condition of very high unemployment was about to improve. Although the Commonwealth still lagged behind the economic recovery and growth of the nation as a whole, it appeared that employment would begin a steady rise. This condition was not to last, however, as Massachusetts and the nation were hit by a new, energy related recession which forced a new wave of workers to join the ranks of the jobless. The effect in Massachusetts of the energy crisis was immediate. This was due to the fact that the Bay State's recovery was dependent on a strong national recovery, and also that this state, being energy poor, is very dependent on imported oil. From October 1973 to June 1974 the Commonwealth's unadjusted unemployment rate went from 6.0 percent to 7.9 percent, while the national unadjusted unemployment rate went from 4.2 percent to 5.8 percent. Thus the unemployment rate in Massachusetts over the same period went from being 1.8 percentage points higher than the national to being 2.1 percentage points higher. At the end of the fiscal year unemployment in the Commonwealth, again using the unadjusted rates, was 36.2 percent worse than unemployment nationally.

The Massachusetts Division of Employment Security, along with all other State Employment Security Agencies, has adopted a revised set of procedures for preparing labor force, total employment, unemployment and unemployment rate estimates for the state and for the areas within the state. The new procedures, the fruit of a year of research and consultation with federal and state agencies, were devised by the Bureau of Labor Statistics of the federal Department of Labor. The purpose of the changeover was to bring state and local estimates into closer alignment with the methods used to get the national estimates of employment and unemployment. This will permit more accurate correlations of state and local developments with national developments. This new accuracy in comparisons will be especially important in program planning activities and economic analysis. Under the new procedures, the total employment estimate will be on persons by place-of-residence rather than the old jobs by place-of-work method. This change will result in a somewhat lower estimate of total unemployment for the state and many areas, and employed persons will now be classified by place of residence rather than by place of work.

EMPLOYMENT SERVICE 1974

One of the basic aims of the Division of Employment Security is to further the well-being of the individuals in the Commonwealth's labor force by aiding them to find employment and contributing to their employability development when necessary. Due to the efficiency of the Employment Service, the Division was able to register impressive increases in placements and individuals enrolled in training during fiscal 1974 despite the energy related recession which has hit the nation, particularly energy-poor New England, so severely. The recession's impact is reflected in the increased figures for initial and continued claims, and an almost 10 percent increase in the number of claimants who exhausted their regular U.I. benefits. In the face of this depressed economy and the consequent increased work load, the 33.8 percent increase in placements in fiscal 1974 compared with those during fiscal 1973, up 15,990 to 63,346, is a truly remarkable achievement. Also, in fiscal 1973 there were 124,145 individuals referred to jobs resulting in 47,356 individuals being placed in employment; that is, one individual placed for every 2.6 individuals referred. Fiscal 1974 saw 63,346 individuals placed with 120,635 individuals having been referred to jobs--one individual placed for every 1.9 individuals referred. The number of individuals who are enrolled in training is largely dependent on the amount of federal funding the D.E.S. receives for this purpose. Still, with 7,321 individuals enrolled in training during fiscal 1974, the 15.2 percent gain over fiscal 1973 was no small improvement.

Throughout the period from July 1, 1973 to June 30, 1974, the Division maintained close liaison with agencies and organizations all across Massachusetts which provide services to the handicapped. This continuous contact provided the means for a review and evaluation of existing services and a means to plan the development and implementation of new or expanded programs. Specialized services were provided through the efforts and coordination of the local office Specialist for Services to the Handicapped. The number of handicapped applicants who were placed in employment rose over 20 percent compared with the previous fiscal year. Such success achieved in behalf of the handicapped may be attributed in part to publicity and interagency cooperation.

A new Job Bank procedure was implemented which will insure veterans preference on all job referrals. All new orders listed on the open job order and new order microfiche will have the word "veteran" beside the location indicating that only veterans can be referred on the first day. The word "veteran" will be removed from the fiche on the second day. Some 10,883 veterans were placed in employment by the Division, of whom over 60 percent were Vietnam Era Veterans.

In April 1973 the Department of Defense announced forthcoming closures and cutbacks affecting many defense installations in New England. As this would affect thousands directly or indirectly in Massachusetts, the Department of Labor asked the Division to submit a proposal to meet the needs of this affected group. In other words, the D.E.S. had to develop and implement a pilot program of service with no existing guidelines for

reference. The resultant program, which included various services such as training and relocation grants, was given the title Defense Employee's Reemployment Program or DERP. The chief aim of DERP is to find suitable employment for former Department of Defense employees, but this has proved difficult since available jobs often do not match the wages these employees formerly received. In spite of limited success, however, the program continues and will be expanded. In addition to 350 registrants who entered options under the training features of the program, more than 2,000 individuals were served in orientation, direct placements and cooperation with Defense Department staff in arranging for lateral transfers within Federal services.

Law Offender Services Division continued to bring employability services to offenders and ex-offenders in need of employment help, despite a hiring freeze which prevented them from having all their staff positions filled. A special project aided inmates who were overdue for parole due to lack of work. For the year, services were provided to 6,013 clients resulting in 1,536 hires.

Some 20,550 youths were employed through the Summer Youth Employment Program for 1974. In light of the recession and the generally bad employment picture this placement total is extraordinary. Media cooperation, Federal and municipal hirings, and school assistance in registrations, all contributed to the success of the program.

Approximately 3,000 trainees were provided with institutional training under the provisions of the Manpower Development and Training Act (MDTA). Massachusetts was allocated over \$5.6 million during fiscal 1974 under MDTA, and an additional \$2.9 million was carried over into fiscal 1974 from previous years. During the year the JOPS Optional Program was designed as a model for local fiscal control of on-the-job-training projects. This was done in anticipation of the Comprehensive Employment and Training Act of 1973 (CETA). By the end of the year 1,176 training slots had been created and 1,165 people placed in an employment training position.

The President signed the Comprehensive Employment and Training Act (CETA) in December of 1973. CETA is to replace the Manpower Development and Training Act of 1962, the Emergency Employment Act of 1971 and sections of 1964's Economic Opportunity Act. Although Federal funds will continue for employment services, these funds will be distributed to eligible states, counties and municipalities who will themselves determine the kinds of programs and services they wish to use the monies for within their jurisdiction. A new payment system had to be devised for this decentralized control to insure prompt delivery of checks to CETA clients, prevent overruns and expedite timely fiscal reporting requirements to Prime Sponsors.

The WIN program showed improvement in all major program areas in fiscal 1974 compared to fiscal 1973. Some 2,003 individuals were removed from the welfare rolls completely and 1,670 had their welfare grants reduced, resulting along with other cost reductions in a \$6,642,548.88 annual savings in the welfare budget. The welfare savings are slightly higher than the cost of the WIN program operation, in itself an accomplishment.

In conclusion, a new and improved employer services program got under way in fiscal 1974. A consulting firm, Greenleigh Associates, was contracted to aid the Division with its employer services, and the firm's assistance will continue into fiscal 1975.

UNEMPLOYMENT INSURANCE ACTIVITIES

Unemployment in fiscal year 1974, despite fluctuations, continued to edge upward. The average number of unemployed for the current fiscal year was 180,100 (6.9 percent of the labor force), compared with 161,000, 6.4 percent, a year earlier. Rates for seasonally adjusted unemployment for both Massachusetts and the nation increased during the past twelve months to 6.4 and 5.2 percent of the labor force respectively, in June 1974.

At the end of fiscal 1974 there were approximately 108,000 active contributory employers subject to the Massachusetts Division of Employment Security Law. These establishments reported total payrolls of \$15,634,759,719, taxable wages of \$7,657,980,615, and contributions of \$270,846,372 for the year ending June 30th. In addition to the above employers, there were approximately 750 nonprofit establishments which have elected the reimbursable method of payment for claims filed against them. Total payrolls of \$375,999,530 were reported by these entities for the same period.

During the first half of this fiscal year employers were taxed under Schedule D, with rates ranging from 1.1 through 3.9 percent (plus 1.0 percent solvency charge). For the January through June portion, the schedule in effect was "E", with rates of 1.3 to 4.1 percent (plus 1.0 percent solvency charge). The rates assigned vary according to the individual employer's experience for the twelve months ending on September 30th each year.

On January 1, 1974, an "Early Warning Alert" was established to monitor the balance in the unemployment fund, which was being drained by approximately \$8 million per week. Should the fund balance have dropped below 2.0 percent of the taxable wages at any time, the contribution rates would have been raised to the maximum schedule as of the beginning of the following quarter. The watch was discontinued on June 1, 1974 when it became apparent that the fund would not go below the required minimum.

Local claims offices of the Division handled 572,356 initial claims and 4,625,213 continued weeks claimed under the regular state unemployment insurance program in the year ending June 30, 1974. Approximately 95,500 claimants exhausted their state benefits during this period. Under the

regular federal programs, some 11,000 initial claims and 173,900 continued weeks claimed were filed by former federal workers; ex-servicemen filed 7,800 initial and 102,700 continued claims during the twelve months.

Persons who had exhausted their benefits under the regular programs (UI, UCFE and UCX) were able to file for additional payments under the state-federal extended benefits provisions. During the year the period for filing such claims was extended twice, but the maximum weeks for regular and extended benefits combined remained at 39. Massachusetts residents filed 135,100 initial claims and 757,700 continued weeks claimed under this program during fiscal 1974. Approximately 61,500 claimants had exhausted all extended benefits available to them as of June 30, 1974. More than \$45 million in such benefits were paid during the year.

Financial assistance under the Federal Disaster Relief Act of 1970 was made available to persons who became unemployed on October 14, 1973 due to a disastrous fire in Chelsea. All workers (including the self-employed) who lost their livelihood because of the fire were eligible to file for disaster unemployment assistance through the D.E.S. The initial filing period extended from October 16th to November 17th. Eligible persons were paid the greater of the following: an amount equal to the "average" weekly regular unemployment compensation (\$63) or the weekly amount for which their wages would qualify them under the Massachusetts Employment Security Law.

In August 1973, the Massachusetts legislature passed an amendment to Chapter 151-A (Massachusetts Employment Security Law) providing that federal pensions would not affect the computation of the weekly unemployment check for a specified period of time. Federal retirees who qualify for unemployment compensation for weeks beginning after June 16, 1973 and before July 6, 1975 will benefit by this action. Concern for the large number of individuals involuntarily unemployed and forced to accept early retirement due to the closing of several Federal installations, prompted the passage of this measure.

An amendment to Section 29a of Chapter 151-A signed early in October 1973, provided that the computation of the maximum weekly benefit rate should be based on 57.5 percent of the average weekly wage of all covered employees. (The former base was 55 percent.) Therefore, for the benefit year beginning on or after October 7, 1973, the maximum weekly benefit rate increased to \$90 per week from a previous \$83.

DATA SUMMARY

	<u>1974</u>	<u>1973</u>
<u>Administration</u>		
Expenditures	\$34,762,600	\$34,867,757
<u>Employment, Unemployment and Wages</u>		
Average Total Labor Force	2,611,200	2,515,900
Average Total Employment	2,431,100	2,354,800
Average Manufacturing Employment	622,400	608,800
Average Total Unemployment	180,100	161,000
*Average Weekly Earnings of Covered Employees	\$165.74	\$156.60
*Average Weekly Earnings of Employees in Manufacturing Industries	\$187.20	\$175.17

Unemployment Compensation

Initial Claims	572,356	499,835
Continued Weeks Claimed	4,625,213	4,287,035
Exhausts	95,474	86,935
All Benefits Paid (Includes Total and Partial Benefits paid by the State)	\$264,929,000	\$236,584,000
Number of Contributory Covered Employers at Year's End	108,813	110,237
*Average Number of Covered Employees at Year's End	1,810,840	1,773,550
Total Taxable Wages	\$7,657,982,615	\$7,381,602,180
*Total Wages paid by Covered Employers	\$15,634,759,719	\$14,497,885,153

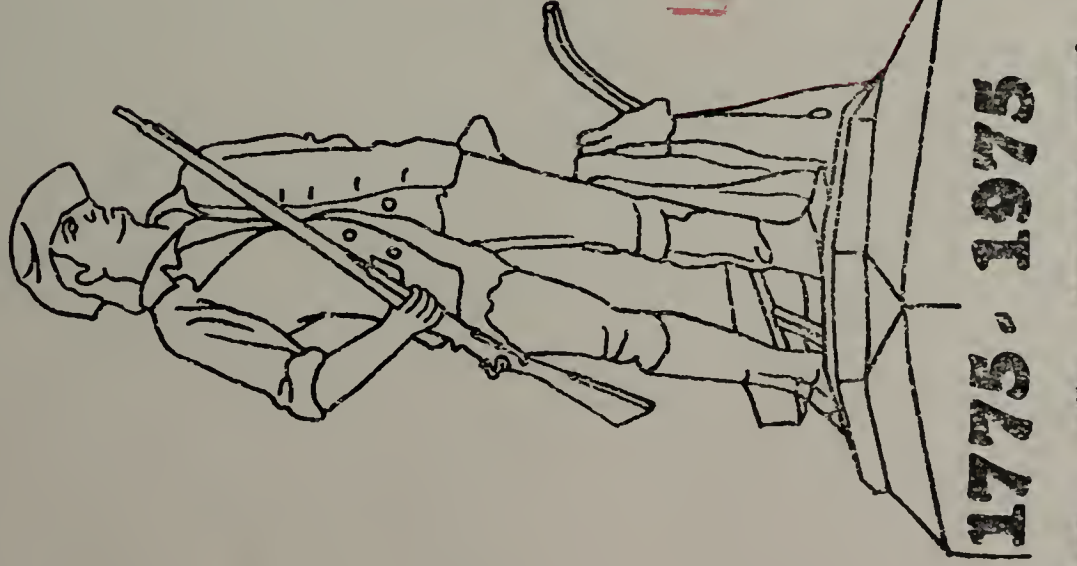
*Excluding Reimbursables.

Employment Service Activities

	<u>1974</u>	<u>1973</u>
New Applicants	278,676	268,338
Individuals Referred to Jobs	120,635	124,145
Individuals Counseled	39,604	45,954
Individuals Enrolled in Training	7,321	6,353
Individuals Placed in Employment-		
Total	63,346	47,356
Sex - Male	38,454	29,515
Female	24,892	17,841
Age - Under 22	28,134	18,164
22 - 44	28,465	23,163
45 and over	6,747	6,029
Highest School Grade Completed-		
Less than High School	30,429	20,659
High School or Above	32,917	26,697
Ethnic Groups-		
White	54,732	41,646
Negro	7,131	4,530
American Indian	46	37
Oriental	161	316
Spanish Surname	2,594	1,924
Veterans-		
Total	10,883	10,008
Vietnam Era Veterans	6,816	6,034
Handicapped	4,812	3,907

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"BY THE RUDE BRIDGE THAT
ARCHED THE FLOOD,
THEIR FLAG TO APRIL'S
BREEZE UNFURLED,
HERE ONCE THE EMBATTLED
FARMERS STOOD,
AND FIRED THE SHOT HEARD
ROUND THE WORLD."

- R. W. EMERSON

1975

ANNUAL REPORT

Year ending June 30, 1975

THE COMMONWEALTH OF MASSACHUSETTS
DIVISION OF EMPLOYMENT SECURITY

THE COMMONWEALTH OF MASSACHUSETTS
DIVISION OF EMPLOYMENT SECURITY

ANNUAL REPORT
Fiscal Year Ending June 30, 1975

John D. Crosier, Director

US ISSN 0076-4914

MASSACHUSETTS YEAR IN REVIEW

I. Major Developments, Fiscal Year 1975

A. Unemployment, Claims, Payments

At the start of the 1975 fiscal year, the rate of unemployment in Massachusetts was 6.7 percent. During the year it rose steadily, exceeding 12 percent in the spring. This factor, in combination with others, subjected the Division to severe stress in virtually every functional area and location. The very high rate of unemployment occasioned abnormally high claim loads throughout the state for the greater part of the year.

In December, Congress enacted two new Federal programs, one providing unemployment benefits to workers not covered under our Employment Security Law, and the other providing additional benefits to those who had exhausted their earlier entitlement. By year end, our claim and payment workloads were double what they would have been without these new programs.

In consequence, Division resources were overtaxed in critical respects. Data processing capacity was inadequate for the unprecedented volume of claims and payments. Space in many offices was insufficient to accommodate clients or the additional staff required. Where possible more space was acquired, in some cases by moving Employment Service operations to a separate location. In Boston, it was necessary to open an additional claims office. We also sought and obtained legislative approval to institute a bi-weekly schedule of claimant reporting, to relieve congestion in the offices and prolonged waiting by clients. Despite such measures, however, there were adverse effects on both personnel and equipment because of the increased hours of operation needed to interview clients and process claims and payments. Under these circumstances, the quality and timeliness of service, to both claimants and employers, occasioned substantial difficulty during much of the year.

B. Employment Service

In this unfavorable environment, we undertook a concurrent major effort to revitalize the Employment Service, to strengthen management capability, to obtain greater acceptance by the employers in the state, and to deliver better service to all clients. Although labor market conditions were adverse, gratifying progress has been made in increasing the effectiveness of our Employment Service.

A major development in our employment service functions was the phasing out of the MDTA program which we had conducted for a dozen years, and its replacement by CETA. This, the Comprehensive Employment and Training Act, has involved us in new contractual relationships with governmental prime sponsors and sub-grantees throughout the state. Various start-up problems have been encountered in this program, and the nature and extent of our participation may vary greatly from one area to another. Our principal functional contribution is usually the development of on-job training opportunities for CETA enrollees.

C. General Administrative Developments

To promote further and more effective decentralization of authority and responsibility, a program of training in management by objective was initiated. This was conducted for supervisors in the central, regional, and local offices. Significant new management controls were introduced in our central unemployment insurance operations, and individual and group performance standards developed. Regional office staff was strengthened, with particular attention to functions affecting job placement and employer services, and the training of our own personnel.

Computer capacity was expanded in January, and additional local office terminals were connected on-line to the limit of the system. Since this was still less than adequate for our needs, action was started to obtain new computer equipment and terminals. A contract has been negotiated which calls for installation and operation by October 1975.

Staff increased over the year by more than 900, to a total of approximately 3,600. About two-thirds of the increase consisted of Intermittent Claims Clerks, who work part-time in local offices on claims taking and benefit payment functions.

Toward the end of the year, the Secretary of Economic Affairs appointed a Task Force to study the Employment Security Law and its administration. It is expected that the group will develop substantial recommendations for revision of the law and other changes designed to improve the operations of the Division.

The Statistical Digest, which is a detailed report of activities in tabular form, will be issued separately at a later date.

II. Unemployment Insurance

A. Regular Benefit Programs

Both initial and continued claims under our basic programs rose more than 40 percent above the 1974 level. Initial claims totaled nearly 850,000, while weeks claimed exceeded 7,500,000.

The higher rates of unemployment resulted in a correspondingly greater year-to-year increase under the permanent extended benefits program known as TREX. Initial claims were almost 60 percent higher than in 1974, reaching nearly 170,000. A parallel increase occurred in weeks claimed, where the total exceeded 1,250,000.

B. New Federal Programs

In December 1974, Federal legislation established two new temporary benefit programs, both Federally funded. One, known as SUA, provided unemployment benefits to persons not covered under state unemployment laws, principally agricultural and domestic workers and some public employees. The other, identified as FSB, provided additional benefits to persons who had exhausted the credits on their basic and TREX claims.

Both these programs became operative in Massachusetts during the week beginning January 5, the worst possible time to cope with the administrative complexities and the heavy additional workloads they occasioned.

Before the end of the fiscal year, each of these laws was amended by Congress, causing additional complications in administration, and further increasing the workload of claims and payments.

By June 30, some 167,000 initial FSB claims were filed, and 36,000 under SUA. Weeks claimed under FSB were approximately 2,125,000, with another 100,000 under SUA.

The cumulative effect of these new programs, plus an already very heavy basic workload, resulted in our local offices and our processing system, being required to service clients far in excess of 300,000 a week for a prolonged period. There was no possible way to cope with such volumes other than by opening our offices both evenings and Saturdays. The data entry method in the central office was converted from key punch to

key-to-disc, with significant productive gains. In the local offices, however, we were unable to expand our terminal capacity, and had to resort to additional equipment not compatible with that already in place. While this helped in timeliness of claims processing, it added to administrative cost and to the strain on personnel.

The Federal legislation providing Trade Adjustment Assistance to workers whose employment is adversely affected by imports was substantially changed, effective in April. There was insufficient experience to assess its full impact, but it is expected that petitions will be approved in greater number than under the former provisions. The current law provides a Federal supplement to unemployment benefits payable under the state law, but there is no reimbursement to the state for its payments, as was previously the case.

III. Employment Service

Our local employment offices placed some 69,000 individuals in jobs with Massachusetts employers during the year. This constituted an improvement of 11 percent over the prior year, despite far less favorable labor market conditions. It also showed a significant increase in placement productivity per man year worked. It reflected in part our efforts to improve the quality of line supervision and the technical assistance provided by staff, and in part the results of a systematic program to improve employer services.

Among those placed, veterans gained proportionately more in comparison with 1974. Special efforts were productive also for others with significant placement barriers, such as minority group members, rural applicants, law offenders, the handicapped, and recipients of public assistance. Among the latter, it is notable that some 6,000 AFDC clients were placed in jobs through the Work Incentive Program, as well as more than 4,100 recipients of General Relief. There were also about 1,300 persons placed in seasonal jobs in state service, under the new program mandating recruitment for such jobs through this Division.

Local offices were substantially involved in various other special program activities. This included principally the functions of counseling, job development, and placement. It extended to such programs as CETA, the Defense Employees Reemployment Program, Job Corps, and Trade Adjustment Assistance.

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1976 ANNUAL REPORT

Year ending June 30, 1976

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THE COMMONWEALTH OF MASSACHUSETTS
DIVISION OF EMPLOYMENT SECURITY

THE COMMONWEALTH OF MASSACHUSETTS
DIVISION OF EMPLOYMENT SECURITY

ANNUAL REPORT
Fiscal Year Ending June 30, 1976

MASSACHUSETTS YEAR IN REVIEW

I. Major Developments, Fiscal Year 1976

A. Economic Improvement

At the beginning of fiscal year 1976, (July 1, 1975) the unadjusted rate of unemployment in Massachusetts was at its peak level of 12.3 percent. For more than half the year the rate remained well above 10 percent, with consequent heavy claim loads and adverse effect on general performance of the division.

Soon after mid-year, however, there was evident a gradual but steady improvement in our economy. By year-end, the rate of unemployment had decreased one third, to a level of 8.2 percent unadjusted. This has eased many of the problems in effective management of our workloads, and has allowed us to provide much better service in various functional areas.

As we enter a comparable period for 1977 it is important to note that there are approximately 41,000 more people employed in the Commonwealth than a year ago and there are some 150,000 fewer individuals collecting U.I. benefits than the same time a year ago.

B. Administrative Developments

Major efforts were continued to improve our personnel capacity, the adequacy of premises and equipment, and the efficiency of various systems and programs. A principal feature here was the extension of formal training in management by objectives to all levels of supervision. A series of four volumes of programmed training was issued to claims offices to facilitate the training of their personnel.

Staff reached a peak level of about 3900 during the year. This expansion enabled us to cope more effectively with the massive workloads encountered early in the year. As the loads gradually eased, we were able to reduce the accumulated backlogs, and to curtail the amount of overtime, and also reduce our costs.

Organizational changes were made in the Data Processing Service to enable better control of personnel and equipment resources. Consequent to this, certain claims processing functions were transferred to Data Processing from the Unemployment Insurance Service. This contributed to better overall performance, and was a factor in the improved speed of first payments noted below under II. C.

C.

Task Force Review and Recommendations

An 18-member task force was convened during the year to undertake a comprehensive review of the Employment Security Law and its operation. After exhaustive study, the group submitted a series of recommendations to the Governor. Most of these were adopted by Governor Dukakis and incorporated in House 4624, which he filed with the General Court in April. One recommendation of the task force, changing the nature of the disqualification for voluntary leaving of work from a maximum of eight weeks to an indefinite disqualification which became effective on the 4th of January 1976, has, in our opinion, had a substantial positive influence on the attitude of employers in the Commonwealth towards the Unemployment Insurance program. Many of the other recommendations of the task force are still awaiting legislative action and we honestly hope that they will be dealt with in the current session.

D.

Modernization of EDP

The very heavy unemployment insurance workloads of the previous year confirmed the inadequacy of our data processing capacity. For an interim solution, we moved to upgrade the central processor and tape and disc units, to expand our terminal and on-line communications capacity, and to streamline data-entry processes. These and related procedural changes enabled us to make significant improvements in certain claims and payment processing activities. The system as a whole, however, was in dire need of modernization.

Accordingly, for the longer term, we began a major effort to provide adequate hardware and software for up-to-date processing of both unemployment insurance and employment service applications. This culminated in award of a contract for a new computer, adequate for all foreseeable needs, to be installed in the next fiscal year. This will accommodate some 500 terminals, for both U.I. and E.S. use, including computerized job matching of available applicants with employer orders for workers.

Concurrently, we established a new Systems Development Department. The staff of analysts assigned there has done much of the preparatory work required to modernize our claims payment and tax systems, developing a common data base for fully integrated operations, providing a structure for job matching, and for generating appropriate management reports as an immediate by-product of operations. This is a major investment for the future of the division.

E.

Unemployment Compensation Fund Deficit

During the preceding year, continued high levels of benefit payment depleted the reserve funds accumulated in prior years, and required borrowing of \$25,000,000 in federal funds to meet current obligations. This deficit multiplied in fiscal year 1976, so that an additional \$240,000,000 of federal loans was needed to continue benefit payments. There is no early prospect of restoring the fund to an adequate level without legislation to increase intake of revenue. This was one of the primary concerns in the task force study noted below and in the Governor's bill, House 4624.

II. Employment Service

A. Employment Service Accomplishment

Our primary objective for the division continues to be the improvement of our services to the employers of the Commonwealth. We must continue to improve our creditability in the business community in order to improve our inventory of job listings.

The improvement in the state's economy had immediately evident effect on unemployment insurance functions. There was, however, no comparable impact on employment service performance. As employers resumed hiring on a significant scale, our prospect of placing applicants was often restricted because of the recall rights of individuals who had been laid off. In spite of this, we made nearly 106,000 placements, about 3 percent above the total in 1975. This increase is attributed principally to our long-term efforts to improve service to employers.

Of the 62,000 individuals placed nearly 20,000 were claimants, which was an increase of 60 percent over the level of the preceding year. This resulted from more effective interviewing in general, as noted above under II.B. It is also attributable in part to closer supervision of the performance of our ES-UI teams. These teams, in each office, concentrate on matching the qualifications of claimants with orders listed on Job Bank.

Another favorable factor was an increase in the number of jobs listed by employers subject to mandatory listing requirements because of their receipt of federal contracts. The number of such openings was nearly a third higher than in 1975, with well over 12,000 placements resulting.

There were more than 10,000 veteran placements, of which 6400 were Vietnam veterans, and 1300 disabled veterans.

There was a significant increase in efforts to assist persons eligible for Trade Act assistance. More than 1100 applicants received some service under this program, which is more likely to expand than to decline.

We also attempted to assist some 200 Vietnamese refugees, and found jobs for 44 of them.

B. Service to Welfare Recipients

In the Work Incentive (WIN) program for AFDC recipients, there were nearly 6400 clients who entered full-time jobs, and another 800 who obtained part-time work. It is estimated that annual welfare savings resulting from such employment will be about \$8,400,000.

Late in the year, CETA-funded personnel were outstationed in Welfare Service Offices to help find jobs for unemployed fathers of AFDC families, and also for General Relief applicants. A consistent increase in placements over three months of operation indicates that this program may be worth continuing, and perhaps expanding.

C. Rural Manpower Services

This division, in common with the public employment service in other states, is subject to the requirements of a court order by Judge Richey. The purpose is to insure that migrants and seasonal farm workers have full and equal access to all the services we provide. The effect, however, has been that an excessive amount of staff time must be diverted to training, monitoring, and reporting activities - time which could be far more productively devoted to service to clients.

D. Plan for Computerized Job Matching

During the year, our Employment Service staff explored the feasibility of installing a computerized method of matching applicant qualifications with the hiring requirements on employer orders for workers. After consultation with other agencies which have experimented in this area, and analysis of available alternatives, we decided to adopt a batch matching system. This is a major step for the future of our Employment Service. Installation will be contingent on acquisition of the new computer, and completion of the necessary systems and programming steps. It is estimated now that operation will begin July 1, 1977.

The process will involve overnight selection and listing by the computer of those registered applicants qualified to fill the orders placed with us each day by employers. It is anticipated that this will result in faster and better service to employers, as well as more comprehensive and fairer service to applicants.

III. Unemployment Insurance Service

A. Record Level of Claims and Payments

The combined total of claims and payments under all programs was considerably higher than during fiscal year 1975. Approximately 12,300,000 benefit checks were issued, an increase of more than 20 percent. Total disbursements exceeded \$850,000,000, more than 25 percent above the 1975 level. These increases were due essentially to the fact that the temporary federal programs known as Federal Supplemental Benefits and Special Unemployment Assistance programs were in effect the entire year, whereas they had been operative only half of the previous year.

The amount of benefits paid under our regular state program did not differ appreciably from the 1975 total. Under the Regular Extended Benefits program known as TREX, however, the cost of which is shared equally with the federal government, there was a rise of nearly 40 percent in the number of payments and nearly 50 percent in the total benefits paid. This reflected both unusually high rates of unemployment and generally longer duration of unemployment.

B. Improved Quality of Claimant Interviews

As workloads began to moderate after mid-year, it became possible to conduct more adequate claimant interviews. These had the dual purpose of assisting in job finding, and in checking more closely on the continued eligibility of claimants. Intensive training was given our personnel in how to conduct such interviews, and packaged training programs were provided for further self-study on various aspects of unemployment insurance. Additional controls were installed to assist management in monitoring the conduct and results of the reinterviewing program.

C. Improvement of Claims and Payment System

Concurrently, we were analyzing the recommendations of a consulting firm we had engaged to seek improvements in our benefit payment system. This effort ties in directly with the EDP changes noted in I.D. above. It will ultimately have major impact on the nature and quality of our benefit payment functions in both central and local offices. The group assigned to this developmental work will be similarly engaged throughout the next fiscal year.

D. Planning for New Employer Accounting System

We also established a separate in-house task force to plan the automation of our employer accounting system. This too associates with prospective EDP changes, and should result in improved speed, accuracy, and economy of operation.

E. Class Actions Against Division

Three suits of a class action nature were filed against the division during the year in the U.S. District Court. Two of these were concerned with the appeals process, and attacked on constitutional and other grounds both the fairness and the timeliness of action on appeals. The third, on similar grounds, charged undue delay in determinations of eligibility for benefits and payment of benefits. Although final disposition of these cases is still pending, they have already proven very costly in preparing the defense, responding to interrogatories, and other necessary pre-trial activity.

F. Increased Number of Appeals

Despite the declining claim loads, the number of appeals rose to new peak levels toward the latter part of the year. Because of the time lag in adding and training new hearings officers, backlogs increased and delays became serious. The problem is not yet resolved, but the action taken to increase the staff will bring it under control in the immediate future.

G. Faster First Payments

The most notable administrative achievement during the year was a dramatic improvement in the timeliness of first benefit payments. We had fallen seriously below the federal standard for intrastate first payments, which specifies issuance of 80 percent of such payments within fourteen days. Intensive management attention to the problem, in conjunction with a decline of workloads to less critical levels, enabled us to effect great improvement. By the end of the year, the rate of timely first payments was 90 percent.

H. Increased Trade Act Assistance

The volume of activity under the amended federal Trade Act has increased greatly, as expected. The number of payments was well over 100,000, a six-fold rise from the 1975 level. The amount disbursed, about \$5,500,000, was eight times the total of the previous year.

This is a complex program to administer, and delays in benefit payment have been common. By year-end, we were well along with plans to decentralize such payments. This is expected to result in faster and generally more effective operation.

ANNUAL REPORT

FOR
FISCAL
YEAR

1977

THE COMMONWEALTH OF MASSACHUSETTS
DIVISION OF EMPLOYMENT SECURITY

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THE COMMONWEALTH OF MASSACHUSETTS
DIVISION OF EMPLOYMENT SECURITY

ANNUAL REPORT
Fiscal Year Ending June 30, 1977

US ISSN 0076-4914

John D. Crosier, Director

I.

HIGHLIGHTS, FISCAL YEAR 1977

A. Continued Economic Improvement

The upward trend in the economy of the commonwealth which began in the previous fiscal year continued in 1977. This was reflected both in record high levels of employment during several months, and in a notable decline in the number of persons receiving unemployment benefits. The improvement, however, is clearly not as great as would appear solely from published rates of unemployment, as is explained in more detail below. It is nevertheless impressive and gratifying.

B. Measuring The Rate Of Unemployment

The rate of unemployment is widely regarded as a leading economic indicator, and attracts considerable attention as it is computed and announced each month. It is unfortunate, however, that available methods for determining the rate are not sufficiently precise and reliable. The monthly rate is determined by this division in accordance with a formula required by the Bureau of Labor Statistics. After the end of the year, the rate is adjusted to conform to a rate computed by the Bureau through a national household survey. This adjustment may be substantial in some years, and it may be either up or down. In part of fiscal 1976, the formula rates for Massachusetts were clearly too high, and required downward adjustment. During fiscal 1977, the reverse has been true. These discrepancies are both difficult and embarrassing to explain, and they occasion inequities in the distribution of federal funds whenever the rate of unemployment is a factor. We have conducted extensive negotiations with federal officials in attempting to resolve this problem, but no acceptable solution has yet been instituted.

A more reliable measure, used for special program purposes, is the rate of insured unemployment. This has been on a gradual but steady downtrend. By year end, it had declined almost to the level which would terminate the program of extended unemployment benefits which had been in effect since October 1970.

C. Financing Benefit Cost

The improvement in the level of employment throughout the state had a dual favorable impact on the problem of the adequacy of our unemployment insurance fund. Income increased as more workers were added to taxable payrolls, and benefit payments decreased as job opportunities became more plentiful. In consequence, for the first time in three years, we were able to continue benefit payments without borrowing federal funds.

Our federal debt, however, remains at \$265,000,000. We have conducted extensive negotiations with employer representatives, officials of the administration, and legislative leaders on the matter of repaying this debt and restoring the solvency of the fund. It is our objective to agree on a financing mechanism which will be adequate to begin building reserve funds to a proper level without imposing on employers a total tax burden which might prove excessive and therefore counter-productive. We expect that legislation to accomplish this will be filed in the next fiscal year.

D. Management By Objective

Application of the system of management by objectives was expanded and intensified during the year. A key element here was the effort to improve our management information system and to provide more effective financial and management controls. For this purpose there were several changes in organizational structure and personnel assignments, the principal feature of which was the establishment of the new position of Comptroller.

E. Improved EDP Capacity

The first major step in our installation of a new large scale computer system was taken in January, with the delivery of a new computer, a Univac 1100/42. Feeding to and from this, we must move next to establish an adequate network for communication with all our offices throughout the state, with new and more sophisticated terminals to be installed in each location. We are about to start the process for procuring this communication system, to be installed in the next fiscal year. The first major applications will be the computerized tax and job match systems, which are in the final stages of development. An improved claims and payment system, on which much work remains to be done, will be installed later.

II.

JOB SERVICE

A. Increased Placement Results

Improved productivity of placement staff in our local offices resulted in accomplishment consistently higher than in the previous year. There was a 3% increase in the number of individuals placed, with varying but broadly comparable degrees of increase for such special groups as veterans, members of minority groups, youth, older workers, women, and handicapped persons. There was also a 10% increase in the number of unemployment benefit recipients for whom we found jobs, the total exceeding 20,000. The greatly expanded Trade Act program resulted in considerable increase in the counseling, training, and job placement service to affected workers.

B. Job Service Improvement Program

During the year, we placed major emphasis on JSIP - Job Service Improvement Program. This is a multi-faceted effort to improve our delivery of service, to increase our capacity for service, and to create a more favorable environment for service.

The Secretary of Economic Affairs has appointed a committee to study the organization and operation of our job service. Membership includes all interests served by the division - the business community, labor, education, the general public. The committee report and recommendations, to be submitted in the next fiscal year, are expected to be critical to the success of the JSIP effort.

At the local office level, a broadly parallel course has been followed. In many areas, an employer advisory committee has been appointed, with the objective of making the service more responsive to employer needs. This in turn would benefit our applicants, for whom more jobs, with a broader range of opportunity, would be expected. In some areas, in lieu of a new advisory group, closer liaison has been developed with the chamber of commerce, or a management association, or some similar organization.

Study of the location and size of our local offices, and the premises themselves, has disclosed a great need for change and improvement. Within the limits allowed by the budget, we have moved some offices to better locations, with more suitable facilities and more attractive appearance.. We have opened a number of additional offices, usually "mini-offices" with a very small staff. Our objective has been to make our service more readily accessible to applicants, in the expectation that it would thereby become more effective overall. The greater geographic dispersion will also facilitate compliance with court orders for equity of service to rural applicants and migrant and seasonal farm workers.

Our nascent computerized job matching system had reached the stage of final testing by the end of the year. Actual operation will begin early in the next fiscal year, with the initial installation in our Southeast Region. This system is designed for faster and better matching of applicant qualifications with employer hiring needs. Since it will provide overnight service, it promises to contribute materially to the effectiveness of our performance in helping to fill available jobs.

C. Work Incentive Program

The Work Incentive (WIN) program continued its effective performance. More than 9,000 registrants obtained jobs. Over 1,000 were enrolled in classroom skill training. Nearly 2,500 found training and employment opportunities in the expanded CETA and other non-WIN funded programs. Approximately 1,000 were hired in on-job training positions, long one of the most effective devices in WIN to end welfare dependency. During the Feb-June period, over 2,600 unemployed fathers in the AFDC caseload were placed in private sector jobs. Estimated welfare costs saved during the year as a result of WIN performance were well over \$13,000,000.

D. Participation in Expanded PSE Program

The expansion of the Public Service Employment Program under Title VI of CETA required closer and more extensive cooperation with the several prime sponsors throughout the state. Our efforts were concentrated on outreach and recruitment for PSE positions of veterans, recipients of AFDC, and long-term unemployment insurance claimants. Outreach to disabled veterans and Vietnam-era veterans was facilitated by additional funding which enabled us to hire disabled veterans for this specific purpose.

III.

UNEMPLOYMENT INSURANCE SERVICE

A. Reduction In Workload Levels

Over the year, there was a sharp decline in the level of claims and payments. Including all the federally-funded programs, the drop was approximately 40%. Under our regular state program, by year end continued claims were at the lowest level since June 1973, and down 17% since the start of the year.

The decline noted above was especially evident in the Federal Supplementary Benefits (FSB) program. When the rate of insured unemployment dropped below 6% in October, the entitlement of claimants was halved, to a maximum of thirteen weeks of benefits. Although the rate again rose seasonally during the winter, Congressional action in April ended the earlier maximum of twenty-six weeks of FSB entitlement, and allowed no new claims for any week ending after October 31, 1977. The prospect is that the program will terminate even earlier in Massachusetts, since the rate of insured unemployment is steadily approaching the level of 5%, below which FSB will "trigger-off".

On the other hand, there was a substantial increase in activity under the federal Trade Act, which provides special benefits for workers whose unemployment is attributed to importation of foreign products. The number of approved petitions tripled over the past year, and payments have reached a level of 17,000 per month. There has been a notable improvement in the speed of payment, as the result of our decentralizing this process to our local claims offices.

B. Performance Criteria

For measuring the adequacy of agency performance in the unemployment insurance program, the Secretary of Labor has established various criteria for timeliness of service. Two of the principal standards relate to the time required to issue first payments on claims, and the time between the filing of an appeal and the issuance of the decision on such appeal. In both respects, division performance has improved notably during the year. First payments on intrastate claims were consistently above the standard. On the more cumbersome interstate claims, the rate of promptness of payment increased steadily, until it exceeded the standard by the end of the year. The same was true in the disposition of appeals, to the extent that we received a written commendation from the Unemployment Insurance Administrator of the Department of Labor.

C. Qualitative Improvements

Increased emphasis was placed throughout the year on methods to improve the quality of performance in the unemployment insurance program. The continued eligibility of claimants was scrutinized more closely through a strengthening of the system of periodic reinterviews and checking on the claimants' own search for work. More vigorous efforts were made to match the qualifications of claimants to positions available on Job Bank, or in the expanding program of Public Service Employment under CETA. Tighter standards of eligibility for Federal Supplementary Benefits were enacted by Congress early in 1977, and were promptly applied here.

In an attempt to improve the quality of claims adjudication, changes were made in the content and methodology of the training program for new adjudicators. More systematic provision was made also for refresher training of experienced adjudicators.

Better coordination was established between the central data processing installation and the local claims offices. This resulted in part from organizational changes, and in part from changes in the data entry process. The latter was a major factor in the improvement in the speed and precision of our processing of interstate claims.

D. Computerized Tax System

Progress has been slower than expected in development of a new on-line tax system. Slippage has been due in part to inability to obtain timely assistance from a federally-operated design center in another state. Personnel shortages in our systems and programming units have also caused delay. Despite this, a large part of the developmental work has been completed on Phase I. Operation, originally planned for July 1, 1977, will probably begin about mid-August.

E. New Legislation

In Chapter 473, Acts of 1976, substantial changes were made in the Employment Security Law, with six different effective dates. This required a massive effort during the latter part of the year to modify our procedures and forms, retrain our personnel, and inform the general public. It was also necessary to amend our Regulations, particularly those relating to the appeals process, which has been materially altered by C. 473.

Concurrently, we began the major task of drafting new legislation and developing plans to meet the new federal requirements enacted by Congress in Public Law 94-566. The principal impact will be the extension of unemployment insurance coverage, beginning in 1978, to

virtually all employees of state and local government. Employees of non-profit primary and secondary schools will also be covered, as well as certain agricultural and domestic workers. The other major effect will be an increase in the taxable wage base. This will become the first \$6,000 of wages paid each employee during the year, whereas the present base is \$4,200.

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ANNUAL REPORT

THE COMMONWEALTH OF MASSACHUSETTS

Division of Employment Security





job matching - job insurance - job market research

office of the director

March 1, 1979

The Honorable Edward J. King
Governor of Massachusetts
State House
Boston, Massachusetts 02133

Dear Governor King:

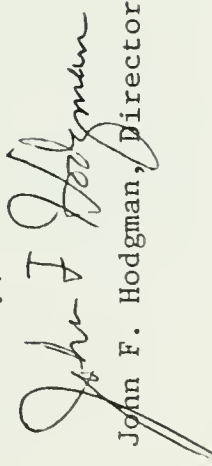
In accordance with Section 93 of the General Laws of the Commonwealth of Massachusetts, I am respectfully submitting the annual report of the administration and operation of the Division of Employment Security during fiscal year 1978. This report covers the activities of the Division from July 1, 1977 to June 30, 1978.

This past year was one of economic improvement for Massachusetts and of accomplishment for the Division of Employment Security.

A decline in the number of Job Insurance claims and a substantial increase in the number of jobs in the State has allowed us to devote considerably more of our time and efforts to the further development of our responsibility to match jobs and workers.

While we will continue to administer the Job Insurance program in a manner that is fair to both the employers and workers of the Commonwealth, we plan--in the year ahead--to provide an even more professional and efficient Job Matching operation for the citizens of Massachusetts, and to disseminate labor market research and analyses which will aid in planning for the future economic growth of the State.

Sincerely,


John F. Hodgman, Director

Attachment

1978

ANNUAL REPORT

of the

MASSACHUSETTS DIVISION OF EMPLOYMENT SECURITY

JOHN F. HODGMAN
DIRECTOR

DES in Fiscal '78

The Massachusetts Division of Employment Security (DES) provides assistance to the Commonwealth's workers and employers through three major services: Job Insurance, Job Matching, and Job Market Research.

During fiscal year 1978 activities in each of these services reflected the improving Massachusetts' economy.

The Job Insurance program, which made benefit payments of \$398 million during fiscal 1978, provided temporary income to Massachusetts' unemployed workers during their search for new employment. These benefits are critical in helping to maintain the economic stability of workers, their families and their communities. It is money usually spent quickly--returned immediately to the State's economy in the form of payments for food, shelter and clothing. As an indicator of the improving economy, benefits paid out this year to the unemployed were 31 percent less than those paid in fiscal 1977.

DES personnel in Job Matching Centers across the state assisted almost 98,000 individuals in finding employment, an increase of 34 percent over fiscal 1977. Job placements in fiscal 1978 showed an increase over fiscal 1977 in every major Job Matching program.

In particular, the Massachusetts Work Incentive Program (WIN)--which provides job assistance to welfare recipients--was the second most cost effective WIN program in the nation.

The Job Market Research Service, which includes the Labor Area Research, Occupation/Industry Research and the Public Information Departments, published studies and research reports on the State, its major labor areas, its primary industries and selected occupations, and pamphlets on major DES programs and services. More than 275 publications are produced annually by this Service.

Agency services are supplied to the State's citizens through the administrative departments located in DES headquarters in the Charles F. Hurley Building in Boston's Government Center, and through a statewide network of 83 Job Matching Centers and Job Insurance Centers, 36 WIN teams and numerous "mini-employment centers", temporary and seasonal offices and itinerant claim centers.

Administrative funds for the Division of Employment Security are provided by the Manpower Administration of the U.S. Department of Labor. Federal unemployment taxes (FUTA) paid by employers are used to finance the operations of state employment security agencies throughout the country.

By law, DES data must be reported according to the Federal fiscal year, from October 1 to September 30, while the Commonwealth operates on a July 1 to June 30 fiscal year. In this report, the fiscal year referred to is that of the Commonwealth. Significant data for both fiscal reporting periods is included on charts at the end of this report.

During the past 12-month period the Division of Employment Security has made a major effort to respond more effectively to the needs of the public. A primary objective has been to relocate offices to provide greater access to the users of our services, and to redesign and improve the physical appearance of offices to provide a business-like atmosphere and more efficient delivery of services.

Major computer systems are being developed and installed. With the advent of more computer assistance for DES programs, it is expected that the claims process, unemployment tax system and the matching of employers and workers will be more efficient, professional and cost effective in the future.

Massachusetts Economy

A decline in the unemployment rate and an increase in the number of employed Massachusetts workers helped to create a stronger State economy during the past fiscal year.

Between July 1977 and July 1978, the unemployment rate dropped from 7.8 percent to 6.3 percent. Total employment increased by 143,900 people--from 2,603,900 in July 1977 to 2,747,800 in July 1978.

Unemployment was lower in all of the State's major labor areas at the end of the 12-month fiscal period.

The Unemployment Rate Seasonally Unadjusted

Major Labor Area	Fourth Quarter	
	FY 1977	FY 1978
Boston SMSA*	7.6	5.9
Brockton SMSA	9.1	6.1
Fall River LMA** (Mass only)	8.5	6.5
Lawrence-Haverhill SMSA (Mass only)	9.5	6.5
Lowell	8.1	6.3
New Bedford LMA	9.9	7.2
Springfield-Chicopee-Holyoke LMA	6.9	5.7
Worcester LMA	6.5	5.2

* Standard Metropolitan Statistical Area
** Labor Market Area

- 3 -

During the past year nonagricultural employment showed definite improvement with an additional 104,100 jobs, an increase of 4.3 percent. Nonmanufacturing employment accounted for a gain of 65,500 jobs or 62.9 percent of the overall increase. On an industry basis, those exhibiting the most notable gains were services (+31,000)--particularly business services--and wholesale and retail trade (+19,300).

Unemployment Rate Methodology

There was a change in the methodology for estimating employment and unemployment in Massachusetts beginning in January 1978.

The unemployment rate is now calculated by the Bureau of Labor Statistics (BLS) of the U.S. Department of Labor using federally gathered data, rather than by the Division of Employment Security. The "Current Population Survey" (CPS) methodology yields more accurate data than the previous system, which required monthly and annual adjustments of the figures to bring Massachusetts into line with the annual unemployment rate calculated in Washington.

Legislative Changes

Several amendments to the Massachusetts Employment Security Law were passed by the Legislature during fiscal 1978.

The most significant changes included those enacted to bring the State into conformity with Public Law 94-566.

- 1) The extension of Job Insurance to virtually all employees of state and local governments, employees of primary and secondary schools, and certain agricultural and domestic workers..

Should "tax caps" result in layoffs of public employees, the resulting costs of unemployment compensation to state and local governments would be of considerable significance.

- 2) Denial of benefits to certain employees of primary and secondary educational institutions between academic terms. This provision of the law which denies benefits to employees of educational institutions who have "reasonable assurance" of work for the next term, has received some criticism since its adoption.

- 3) An increase in the taxable wage base from \$4200 to \$6000 annually.

The increased tax base has improved the balance in the Massachusetts Trust Fund.

- 4) A revised tax rate for employers.

Job Insurance Programs

With the improvement of the Massachusetts economy during fiscal year 1978, there was a substantial decline in the unemployment claims workload. The decrease in the unemployment rate caused a cutback in certain Job Insurance programs, including the Federal-State Extended Benefits Program (TREX) and the Federal Supplemental Benefit (FSB) program.

Statewide there was a 34 percent reduction in the number of job insurance checks issued - from 7,784,000 in fiscal year 1977 to 5,116,000 in fiscal year 1978.

In the 12-months ending June 30, 1977 more than \$576,200,000 had been paid in job insurance benefits, while \$398,004,000 was paid for the same period in 1978--a 31 percent decrease.

At this time, the maximum number of weeks payable to Job Insurance claimants is 30 weeks, the number of weeks covered by the regular state program. At the end of June 1978 there were 64,719 claimants on the state program as compared to 72,254 claimants on the same program at the end of June 1977.

The jointly-funded Federal-State Extended Benefits Program (TREX), which provides additional weeks of benefits, up to a maximum of 13 weeks, to claimants who have exhausted their benefits on the regular state program, "triggered" on and off during the year as the insured unemployment rate shifted during that period. The program was in effect from October 1977 to January 1978 and from April through July 1978.

The Federal Supplemental Benefit (FSB) program which provided an additional period of benefits to workers who had exhausted TREX payments ended in Massachusetts in July 1977. FSB provided up to 13 weeks of benefits during periods of high unemployment and was totally financed by federal funds.

The Special Unemployment Assistance (SUA) program, financed by the Federal government and providing benefits to public employees, domestic and agricultural workers and others not covered by the state program, was phased out as new legislation, effective January 1, 1978, provided the majority of those workers coverage under the regular state program.

Storm Payments

The February 1978 blizzard presented Massachusetts with a record-breaking snowfall and gave the DES a major task, that of paying unemployment benefits to workers unable to reach their places of employment because of the storm and resulting restrictions on travel.

The Disaster Unemployment Assistance (DUA) program provided federal funds to assist workers in eight Massachusetts counties who were displaced from their jobs for more than one week because of damage caused by the storm.

A state program, the Special Emergency Unemployment Benefits (SEUB) program, was created by emergency legislation in February, 1978. It waived the one-week waiting period, required by Massachusetts law, for workers who lost earnings only during the week of the storm. More than 377,500 claims were filed under the SEUB program. By June 30, 1978, \$19,927,450 in benefits had been paid to 288,805 Massachusetts workers eligible for the program.

TAA Program

The Trade Adjustment Assistance (TAA) program assumed new importance during the year as many Massachusetts companies were adversely affected by the competition from foreign imports. TAA is entirely funded by the federal government and provides for benefits up to a 52 week maximum in a two-year benefit period. Workers may receive benefits during periods of both unemployment and underemployment. When TAA payments are added to regular UI payments, workers may receive approximately 70 percent of their total wages. Workers also receive job placement assistance and funds for training and relocation if necessary.

During the 1978 fiscal year, 11,826 TAA applicants were registered with the DES. More than 1800 of those workers had been totally separated from their jobs. Job Matching personnel, working with staff from Job Insurance Centers, placed 657 of these workers into new jobs. Training programs were completed by 391 people; 261 were placed into jobs directly related to their training. Between August 1976 and June 1978, \$1,000,000 has been used for training TAA registrants.

Improving Services

Because of the declining claims load, personnel in DES Job Insurance Centers were able to provide higher quality services to claimants. More than 24,700 claimants were placed in new employment during fiscal 1978, an increase of seven percent over fiscal 1977. Timely first payments--payments made to a claimant within a two week period following the first compensable week--were made for 79 percent of all initial claims.

Audit

The Audit Department is responsible for developing and operating programs to detect, prevent, and penalize erroneous or misrepresented claims for Job Insurance, and to recoup any monies paid out on these claims.

In fiscal 1978 the department conducted more than 1,000 investigations and uncovered 165 cases of fraud which were forwarded to the Legal Department for action. During that same period, \$1,725,000 in overpayments was recovered.

Appealing Claims Decisions

Any decision made by the DES regarding Job Insurance claims may be appealed by both claimant and employer when either one disagrees with the determination.

An initial determination on a Job Insurance claim is made in the local office, where an appeal can be filed. The process continues through to the Hearings Department in Boston and if necessary an appeal can be made to the Board of Review and finally to the courts.

During fiscal 1978 the Hearings Department received 24,430 appeals, a decrease of 5,800 from fiscal 1977. During the year a total of 25,260 dispositions were made.

Board of Review

Because of Legislative changes to the sections of the Massachusetts Employment Security Law covering the appeals procedure, the role of the Board of Review changed during fiscal 1978. Effective July 1977 the Board's examiners, instead of holding hearings at which the parties are notified to be present or represented, now examine the records of the Determinations and Hearings Department and make recommendations to the three-member Board to grant or deny an application for review.

The role of the three-member Board has changed in that it must now take some action on every case appealed to the Board by considering the examiner's recommendations, and make decisions on whether to grant or deny further review.

The Board continues to hold hearings at which interested parties must be present, in cases where the application of the section of law dealing with labor disputes is the issue, and in cases which the Board has agreed to review and take additional evidence.

In fiscal 1978 the Board received 5,500 appeals. Dispositions were made on 6,400 cases.

District Courts have rendered decisions on 265 appeals from decisions of the Board of Review. The following findings were made:

Board of Review Decisions affirmed.....	157
Board of Review Decisions reversed.....	51
Petitions for Review dismissed.....	34
Petitions for Review withdrawn.....	1
Case remanded to Board of Review by Court.....	22

Unemployment Compensation Trust Fund

The trust fund, from which benefits are paid to unemployed workers, is financed through taxes paid by Massachusetts' employers.

When the recession of 1974-75 brought about extremely high levels of unemployment in the State, the trust fund had to be supplemented with funds borrowed from the Federal government. The fund currently has a Federal debt of \$265 million.

Legislation passed in 1977 which included an increase in the taxable wage base from \$4200 to \$6000, and a revision of the employer tax rate schedule will begin to stabilize the fund and to decrease the debt, as will the decline in the level of unemployment in the State.

Statement of Financial Transactions

	YEAR ENDING JUNE 30, 1978
Balance as of July 1, 1977	\$ 93,993,677.70
Contributions Collected (net)	330,826,392.17
Interest*	108,878.55
Reimbursed Benefit Payments**	15,907,354.45
Excess in U.C. Contingency Fund***	515,502.55
TOTAL	<u>\$441,351,805.42</u>
Unemployment Benefit Payments (Withdrawals)	302,848,500.00
TREX Payments State Share (Withdrawals)	21,107,800.00
TOTAL DISBURSEMENTS	<u>\$323,956,300.00</u>
Balance, June 30, 1978	<u>\$117,395,505.42</u>

* US Interest Credits

** TREX Reimbursables wks 27-30

*** Annual Transfer of excess in UC Contingency Fund (Includes:
1977 - \$323,346.45 1978 - \$192,156.10)

Job Matching Services

One of the Division of Employment Security's primary responsibilities is to match qualified applicants with employers' job openings.

Local Job Matching Centers--providing a total range of employment services, including job counseling, testing, job development and placement--are located throughout the State.

Smaller offices, "mini-Job Matching Centers", staffed by one or two people and providing job placement and job development services are located in schools, libraries, town halls and other similar locations in many of Massachusetts' smaller cities and towns and in the neighborhoods of large metropolitan areas.

During fiscal 1978, 98,000 applicants were placed into jobs by the DES Job Matching Service, an increase of 34 percent over the prior fiscal year. More than 166,500 individuals were referred to jobs. Job development contacts--more than 46,000 in fiscal 1978--which involve the developing of job opportunities for applicants, resulted in more than 17,150 placements.

Secretary's Committee

During fiscal year 1977 the Secretary of Economic Affairs appointed a Committee to study the organization and operation of the Job Matching Service.

The Committee's members included representatives of all the publics served by the agency--the business community, labor, education and the general public.

The Committee's report was submitted in December 1977. Among the principal recommendations was the need for DES to broaden its services to the State's small and medium-sized employers, and to focus its services for job-seekers on the broad middle range of occupations--neither top-level management nor unskilled labor--which forms the largest potential market for job matching services.

Included in the report's major recommendations is expansion of a DES program utilizing local employer advisory groups; reinstatement of joint programs with the Department of Education to provide services to high school students and drop-outs; and the designation of DES as the lead agency for all publicly-funded job development and placement efforts.

Employer Services

Efforts to improve services to the Commonwealth's employers were intensified during fiscal 1978. Continued emphasis was placed on the Job Service Improvement Program (JSIP) which involves the participation of local employer advisory groups. Following the recommendations of the employer advisory group, employee task forces in the local Job Matching Centers then develop plans for implementing those recommendations.

During the past year an additional seven offices were brought into the JSIP program for a total of 22 Job Matching Centers throughout the State. Changes resulting from the JSIP program have included the relocation of some offices when such a move will benefit the community by making DES services more accessible; the redesign of offices; and increased professionalism and productivity on the part of Job Matching personnel.

An increased emphasis has also been placed on improving the quality and quantity of employer visits. Employer Service Representatives, assigned to every local Job Matching Center, provide employers in their community with individualized assistance in meeting personnel needs and with information on DES services.

Counseling and Youth Services

During fiscal 1978, employment counselors in 43 local Job Matching Centers provided counseling services to 22,800 persons needing assistance in making vocational choices or in resolving various job-related problems. Twenty percent of the applicants receiving counseling services were veterans.

During the year, almost 103,000 applications were filed by youth under 22 years of age. More than 38,000 of these youth--37 percent--were placed in employment; 4600 received counseling services; 1665 received testing; and 762 were referred to training including more than 100 to Job Corps.

Job Matching interviewers, counselors and managers have continued to participate in the Cooperative School Program at 150 schools across the state. This assistance includes counseling, vocational testing, assisting with registration at DES offices, addressing school classes, participating in "Career Days", and disseminating occupational, training, and job market information.

Job Corps as a vocational training resource has proved to be very effective during the past year in assisting young people in their vocational development. Youth have been sent to Job Corps centers in most areas of the country and have received training in a wide variety of occupations. The placement rate for Job Corps graduates has exceeded 90 percent.

Following the opening of the Westover Job Corps Center --in September 1978--Job Corps enrollments are expected to increase substantially. In addition, the closeness of the center should reduce the dropout rate for Massachusetts' youth. Increased Job Corps activity in the state is expected to help lower the high unemployment rate for the State's youth.

The Young Adult Conservation Corps has provided jobs for 36 youth to date and will shortly be expanded to nearly 300 positions in conservation work in all areas of the state.

The Apprentice Information Center and local offices continue to provide testing services for Joint Apprenticeship Committees and unions. More than 500 individuals have been tested this fiscal year.

Selected Applicant Groups Division

The Job Matching Service is mandated to provide intensive services to groups who may have difficulty finding suitable employment because of age, sex, handicap or being members of minority groups.

Each Job Matching Center has a Specialist for Services to the Handicapped and a staff member responsible for disseminating Equal Employment Opportunity/Affirmative Action information to all office personnel.

The Selected Applicant Group Division monitored services in the local Job Matching Centers and assisted employers and community organizations.

P L A C E M E N T S

<u>Group</u>	<u>FY '77</u>	<u>FY '78</u>	<u>% Increase</u>
Handicapped	3,894	5,703	46%
Minorities	8,287	11,613	50%
Older Workers	8,057	11,621	44%
Women	29,479	37,068	26%

Work Incentive Program

The Work Incentive Program (WIN) assisted 9,780 AFDC recipients in obtaining unsubsidized employment during the 12-month period ending June, 1978. During that same period 613 registrants were enrolled in WIN classroom job skills training designed to equip them for permanent jobs. Through the establishment of a stronger linkage with CETA programs throughout the state, WIN assisted 5,395 registrants to participate in training and employment programs sponsored by CETA and other non-WIN funded organizations.

The unique character of WIN continued to be the on-the-job training programs in conjunction with private sector employers. WIN reimburses employers for a portion of participants' training period wages. Almost 950 previously unskilled welfare recipients were placed in WIN on-the-job training slots during fiscal 1978.

The WIN program saved \$18,868,523 in welfare costs during the fiscal year.

Veterans Services

Employment services for veterans increased significantly during fiscal 1978. There were 19,648 veterans placed in jobs, almost 40 percent of the total number of veteran applicants. Of this total 5,895 were Vietnam era veterans and 1,704 were disabled veterans.

In comparison to the last annual fiscal reporting period the increase in veteran placement activity is: all veterans, 66.5 percent; Vietnam era, 51.9 percent; and disabled veterans 58.5 percent.

Much of the credit for the increase in veteran's services this year can be attributed to the Disabled Veterans Outreach Program which has helped to increase local office referral activity and placement rates.

Rural Services

Local Job Matching Centers provide a full range of services to agricultural and rural workers and employers.

In fiscal year 1978, the placement rate for rural applicants was 30 percent, and for migrant and seasonal farm workers 40 percent, as compared with 25 percent and 33 percent respectively for fiscal 1977. This year 12,277 rural applicants and 232 migrant and seasonal farm workers were placed in jobs by DES Job Matching personnel.

The increase in the placement rates for both groups is attributed to intensive job development activity and an increased awareness of the needs and preferences of this particular group of workers, and of available jobs and training opportunities.

Law Offender Services Division

After seven years of operation, the Law Offender Services Division statewide program was discontinued on April 30, 1978. Services remain, on a local basis, in Roxbury Court, Lowell and Worcester. During the final nine months of operation, there were 987 applicants with 403 entering employment and 170 referred to training, CETA and other supportive services. The program met its intake goals by 124 percent and its employment goals by 93 percent.

Food Stamp Program

In 1971 an amendment was made to the Federal Food Stamp Program requiring employable members of a household applying for food stamps, to fill out a work registration form and accept suitable employment in order to be eligible for food stamps.

Food stamp applicants are required to apply at DES Job Matching Centers for employment assistance.

In fiscal 1978, there were 26,195 applications from food stamp registrants; more than 4,000 of these were placed in jobs. In addition, 300 persons were enrolled in training --WIN work experience and CETA institutional--and 50 others in Federal and State programs.

Mandatory Job Listings

The federal government requires employers with federal contracts in excess of \$10,000 to list jobs with the Division of Employment Security.

During this past fiscal year 24,120 individuals were placed in openings generated by this program, an 18 percent increase over fiscal 1977.

Job Market Research

The Job Market Research Service collects and analyses data on the Massachusetts labor market, and distributes this information in a variety of monthly, quarterly and annual reports.

This data is vital to economists and planners in both the public and private sectors. The output of the Job Market Research Service is valuable for business, educational institutions, community planning organizations and the general public for use in developing curriculum, vocational training programs, staffing patterns, affirmative action programs and plant locations.

Job market information has gained increasing importance as revenue allocations for local communities continue to be based on each city and town's employment situation.

Labor Area Research

Market Research analysts in the business, educational, governmental, industrial and service sectors of the Commonwealth use DES Labor Area Research publications.

Information is published on: economic overviews of various aspects of the labor market; economic development for those seeking federal funds; affirmative action guidelines for employers working under federal contracts as well as for state, city and town officials applying for grants from the office of Revenue Sharing.

Publications of the Labor Area Research Department include: Massachusetts Trends in Employment and Unemployment; Massachusetts Economic Assumptions; Annual Planning Report; Manpower Information for Affirmative Action Programs; Industrial Pattern of Massachusetts; and Area Employment Reviews.

Although it does provide information to employers on request, the Unemployment Insurance (UI) Actuarial Unit is essentially structured to in-Division service. It projects workloads for the UI Service, does financial forecasting on the Unemployment Trust Fund; projects how various assumptions might affect the fund and forecasts the effect of proposed legislation on the fund. At present the unit's major effort is devoted to a legislative project to improve the method of funding benefits and the adequacy of the trust fund.

Occupational/Industry Research

Important labor studies--used extensively by economists, educators, employers and employment specialists--have been developed by the Occupational and Industrial Research staff from previously unexploited data that at one time was supplied only in reports to the U.S. Department of Labor.

There are now 25 of these studies which include occupational profiles, industrial profiles, short and long-term projections of manpower requirements, labor turnover in manufacturing, hour and wage study of production workers as well as other non-formalized studies.

The demand for this information has increased in direct proportion to the emphasis being placed on long term planning by the public and private employment sectors. Circulation of these studies, which was once accomplished by the use of individually typed address labels, has increased to over twenty-four thousand copies distributed each year through the use of six computerized mailing lists.

The purpose of the studies is varied, but it does include such objectives as aiding economic analyses, business forecasting and the development of aid-to-business programs. In the academic sector these studies are used for future curricula planning.

Research Library

Over 1400 people used the facilities of the Research library during the past year. Included in those seeking labor, economics and manpower data information were: consultants from both the private and public sectors, research personnel from both state and federal agencies, as well as college and university faculty members and students.

General Administration

Expenditures

The Division of Employment Security's operating costs are paid out of funding allocated by the U.S. Department of Labor. Taxes paid by employers under the Federal Unemployment Tax Act (FUTA) are the major source of funds.

Total expenditures during fiscal 1978 were \$51,285,773. Salaries and personnel benefits accounted for 77 percent of that amount, with other general administrative costs such as equipment and supplies, premises, travel, communications and other expenses making up the balance.

Personnel costs	\$39,909,493
Premises	4,011,177
Equipment	1,776,378
Supplies	613,815
Travel	394,494
Communications	1,280,418
Miscellaneous	3,299,998
Total	<u>\$51,285,773</u>

Legal Service

The Legal Department handles all litigation involving the Division of Employment Security in the district, state and federal courts.

The department has six attorneys, including the Chief Counsel. In addition, there are three Assistant Attorneys General who handle all prosecutions for fraud and other criminal matters.

The department's cases involve: contribution or tax collection; Board of Review appeals; bankruptcy/receivership cases; and recovery of overpayments to claimants.

The Attorney General's office prosecuted 358 cases during fiscal 1978--225 tax collection cases and 133 larceny (claimant overpayment) cases.

Ombudsman

The Office of the Ombudsman was established in 1972 to improve the Division's effectiveness and responsiveness to the public it serves. The office investigates complaints from individuals, advocacy groups, employers and unions; patterns of problems are analyzed and solutions are proposed. The Ombudsman can recommend changes in policy, procedure or legislation as a result of these investigations and analyses.

The Ombudsman represents the Division with the public explains the laws which govern the Job Insurance and Job Matching services and presents the public's opinions to DES personnel for consideration in policy formation and service delivery.

Approximately 96 percent of the public's contact with the Ombudsman's office is by telephone. Over 40,000 calls were received during fiscal 1978, 86 percent of which related to unemployment insurance. Of the 3,300 formal investigations which were conducted, 74 percent were resolved within seven days. Eighty-six percent of all cases were resolved within 14 days. Concerns which were dealt with most often were those of employer liability, claim processing, the determination of non-monetary eligibility and adjudicatory hearings.

Staff Training Department

The Training Department develops in-house training programs designed to improve job performance and enhance career development.

The department continued to improve its capability to design training materials.

Training programs of significance were: instructional development skills for training, which increases the Division's capability to do in-house training; programs dealing with changes in legislation; instruction for claims takers in various Job Insurance programs; and a slide/sound production on Equal Employment Opportunity.

WIN program staff members attended a course--with Welfare Department WIN workers and WIN participants--on non-traditional Jobs for Women.

During fiscal 1978 DES employees attended 8658.5 staff days of training; in-service training accounted for 7169.5 staff days; out-service training for 1489 staff days.

The training phase of the agency's Management by Objectives (MBO) program was completed during the past fiscal year with 347 employees attending some type of MBO training. All employees in supervisory positions have now participated in a minimum of four days training.

The completion of this phase made possible the design of an agency-wide budget and planning process that integrates MBO with the Program Budget Plan mandated by the Department of Labor.

JOB MATCHING HIGHLIGHTS

July 1, 1977/June 30, 1978

	YEAR ENDING 6/30/77	YEAR ENDING 6/30/78	PERCENTAGE CHANGE
New Applicants and Renewals	317,181	304,230	- 4
Job Openings Received (Non-Agricultural)	168,743	200,984	+19
Job Openings Filled (Non-Agricultural)	103,718	137,314	+32
Individuals Placed in Jobs	73,290	97,919	+34
Veterans Placed in Jobs	12,886	18,700	+45
Disadvantaged Applicants Placed in Jobs	23,666	36,092	+53
Work Incentive Program (WIN)			
Participants Entered in Employment (30 days or more)	9,060	9,781	+ 8
On-the-Job Training Enrollments	934	945	+ 1
Welfare Savings (Annualized)	*INA	\$18,868,523	*INA

* Information not available

JOB MATCHING HIGHLIGHTS

October 1, 1977/September 30, 1978

	YEAR ENDING 9/30/77	YEAR ENDING 9/30/78	PERCENTAGE CHANGE
New Applicants and Renewals	316,100	302,423	- 4
Job Openings Received (Non-Agricultural)	181,593	205,987	+13
Job Openings Filled (Non-Agricultural)	127,200	127,122	0
Individuals Placed in Jobs	84,855	100,242	+18
Veterans Placed in Jobs	15,448	16,567	+ 7
Disadvantaged Applicants Placed in Jobs	30,764	39,366	+28
Work Incentive Program (WIN)			
Participants Entered in Employment (30 days or more)	9,317	10,433	+12
On-the-Job Training Enrollments	886	1,141	+29
Welfare Savings (Annualized)	\$14,437,175	\$21,742,667	+51

JOB INSURANCE HIGHLIGHTS

July 1, 1977/June 30, 1978

	YEAR ENDING 6/30/77	YEAR ENDING 6/30/78
TOTAL BENEFITS PAID	\$583,246,756	\$409,558,002
State Programs (including state share of TREX)	345,607,935	308,732,283
Federal Programs	235,234,350	94,655,984
Combined Wages (reimbursements from other states)	2,404,471	6,169,735
CONTRIBUTIONS RECEIVED	\$320,256,202	\$321,589,242
INITIAL CLAIMS FILED		
State Programs	676,141	659,765
Federal Programs	148,512	59,402

JOB INSURANCE HIGHLIGHTS

October 1, 1977/September 30, 1978

	YEAR ENDING 9/30/77	YEAR ENDING 9/30/78
TOTAL BENEFITS PAID	\$523,616,765	\$374,345,252
State Programs (including state share of TREX)	330,818,967	294,922,248
Federal Programs	190,482,497	72,882,462
Combined Wages (reimbursements from other states)	2,315,301	6,540,542
CONTRIBUTIONS RECEIVED	\$319,751,604	\$351,928,776
INITIAL CLAIMS FILED		
State Programs	664,686	628,283
Federal Programs	145,692	23,038

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